

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

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2021

Commission File Number 1-34073



Huntington Bancshares Incorporated

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

41 South High Street
(Address of principal executive offices)

Columbus, Ohio

31-0724920
(I.R.S. Employer Identification No.)

43287
(Zip Code)

Registrant's telephone number, including area code (614) 480-2265

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

Title of class	Trading Symbol(s)	Name of exchange on which registered
Depository Shares (each representing a 1/40th interest in a share of 4.500% Series H Non-Cumulative, perpetual preferred stock)	HBANP	NASDAQ
Depository Shares (each representing a 1/1000th interest in a share of 5.70% Series I Non-Cumulative, perpetual preferred stock)	HBANM	NASDAQ
Common Stock—Par Value \$0.01 per Share	HBAN	NASDAQ

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

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

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

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act)

Yes No

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2021, determined by using a per share closing price of \$14.27, as quoted by Nasdaq on that date, was \$20,819,027,009. As of January 31, 2022, there were 1,438,088,216 shares of common stock with a par value of \$0.01 outstanding.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant’s definitive Proxy Statement for the 2022 Annual Shareholders’ Meeting.

HUNTINGTON BANCSHARES INCORPORATED
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Glossary of Acronyms and Terms

The following listing provides a comprehensive reference of common acronyms and terms used throughout the document:

ACL	Allowance for Credit Losses
AFS	Available-for-Sale
ALCO	Asset-Liability Management Committee
ALLL	Allowance for Loan and Lease Losses
AML	Anti-Money Laundering
ANPR	Advance Notice of Proposed Rulemaking
AOCI	Accumulated Other Comprehensive Income
ASC	Accounting Standards Codification
ATM	Automated Teller Machine
AULC	Allowance for Unfunded Lending Commitments
Bank Secrecy Act	Financial Recordkeeping and Reporting of Currency and Foreign Transactions Act of 1970
Basel III	Refers to the final rule issued by the FRB and OCC and published in the Federal Register on October 11, 2013
BHC	Bank Holding Company
BHC Act	Bank Holding Company Act of 1956
CARES Act	Coronavirus Aid, Relief, and Economic Security Act, as amended
C&I	Commercial and Industrial
CCAR	Comprehensive Capital Analysis and Review
CCPA	California Consumer Privacy Act of 2018
CDs	Certificates of Deposit
CDI	Core Deposit Intangible
CECL	Current Expected Credit Losses
CET1	Common equity tier 1 on a transitional Basel III basis
CFPB	Bureau of Consumer Financial Protection
CISA	Cybersecurity Information Sharing Act
CMO	Collateralized Mortgage Obligations
COVID-19	Coronavirus Disease 2019
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
DIF	Deposit Insurance Fund
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EAD	Exposure at Default
Economic Growth Act	Economic Growth, Regulatory Relief and Consumer Protection Act
ELT	Executive Leadership Team
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
EVE	Economic Value of Equity
FASB	Financial Accounting Standards Board
FCRA	Fair Credit Reporting Act
FDIA	Federal Deposit Insurance Act
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System

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FHC	Financial Holding Company
FHLB	Federal Home Loan Bank
FICO	Fair Isaac Corporation
FinCEN	Financial Crimes Enforcement Network
FINRA	Financial Industry Regulatory Authority, Inc.
FRB	Federal Reserve Bank
FRG	Financial Recovery Group
FTE	Fully-Taxable Equivalent
FTP	Funds Transfer Pricing
FVO	Fair Value Option
GAAP	Generally Accepted Accounting Principles in the United States of America
GLBA	Gramm-Leach-Bliley Act
HIC	Huntington Investment Company
HMDA	Home Mortgage Disclosure Act
HTM	Held-to-Maturity
IRS	Internal Revenue Service
Last-of-Layer	Last-of-layer is a fair value hedge of the interest rate risk of a portfolio of similar prepayable assets whereby the last dollar amount within the portfolio of assets is identified as the hedged item
LCR	Liquidity Coverage Ratio
LFI Rating System	Large Financial Institution Rating System
LGD	Loss Given Default
LIBOR	London Interbank Offered Rate
LIHTC	Low Income Housing Tax Credit
LTV	Loan-to-Value
MBS	Mortgage-Backed Securities
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MSA	Metropolitan Statistical Area
MSR	Mortgage Servicing Right
NAICS	North American Industry Classification System
NALs	Nonaccrual Loans
NCO	Net Charge-off
NII	Net Interest Income
NIM	Net Interest Margin
NPAs	Nonperforming Assets
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income (Loss)
OCR	Optimal Customer Relationship
OFAC	Office of Foreign Assets Control
OLEM	Other Loans Especially Mentioned
OREO	Other Real Estate Owned
Patriot Act	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001
PCAOB	Public Company Accounting Oversight Board
PCD	Purchased financial assets with credit deterioration
PD	Probability of Default
Plan	Huntington Bancshares Retirement Plan
PPP	Paycheck Protection Program

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Problem Loans	Includes nonaccrual loans and leases, accruing loans and leases past due 90 days or more, troubled debt restructured loans, and criticized commercial loans
Capital and Liquidity Tailoring Rule	Refers to the changes to applicability thresholds for regulatory and capital and liquidity requirements, issued by the OCC, the Federal Reserve and the FDIC
EPS Tailoring Rule	Refers to Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding, issued by the Federal Reserve
Tailoring Rules	Refers to the Capital and Liquidity Tailoring Rule and the EPS Tailoring Rule
RBHPCG	Regional Banking and The Huntington Private Client Group
REIT	Real Estate Investment Trust
Riegle-Neal Act	The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994
ROC	Risk Oversight Committee
RWA	Risk-Weighted Assets
SBA	Small Business Administration
SCB	Stress Capital Buffer
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
TCF	TCF Financial Corporation
TDR	Troubled Debt Restructuring
U.S. Treasury	U.S. Department of the Treasury
UPB	Unpaid Principal Balance
VIE	Variable Interest Entity
XBRL	eXtensible Business Reporting Language

Huntington Bancshares Incorporated

PART I

When we refer to “Huntington,” “we,” “our,” “us,” and “the Company” in this report, we mean Huntington Bancshares Incorporated and our consolidated subsidiaries, unless the context indicates that we refer only to the parent company, Huntington Bancshares Incorporated. When we refer to the “Bank” in this report, we mean our only bank subsidiary, The Huntington National Bank, and its subsidiaries.

Item 1: Business

We are a multi-state diversified regional bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through the Bank, we have over 150 years of servicing the financial needs of our customers. Through our subsidiaries, we provide full-service commercial and consumer banking services, mortgage banking services, automobile financing, recreational vehicle and marine financing, equipment financing, inventory finance, investment management, trust services, brokerage services, insurance products and services, and other financial products and services. At December 31, 2021, our 1,092 full-service branches and private client group offices are primarily located in Ohio, Colorado, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, West Virginia and Wisconsin. Select financial services and other activities are also conducted in various other states. International banking services are available through the headquarters office in Columbus, Ohio. Our foreign banking activities, in total or with any individual country, are not significant.

On June 9, 2021, Huntington closed the acquisition of TCF Financial Corporation in an all-stock transaction valued at \$7.2 billion. TCF was a financial holding company headquartered in Detroit, Michigan with operations across the Midwest. The acquisition brought increased scale and market density, as well as added new markets and capabilities. Historical periods prior to June 9, 2021 reflect results of legacy Huntington operations. Subsequent to closing, results reflect all post-acquisition activity. For further information, refer to Note 3 “[Acquisition of TCF Financial Corporation](#)” of the Notes to the Condensed Consolidated Financial Statements.

Our business segments are based on our internally-aligned segment leadership structure, which is how we monitor results and assess performance. For each of our four business segments, we expect the combination of our business model and exceptional service to provide a competitive advantage that supports revenue and earnings growth. Our business model emphasizes the delivery of a complete set of banking products and services offered by larger banks but distinguished by local delivery and customer service.

A key strategic emphasis has been for our business segments to operate in cooperation to provide products and services to our customers and to build stronger and more profitable relationships using our OCR sales and service process. The objectives of OCR are to:

- Use a consultative sales approach to provide solutions that are specific to each customer.
- Leverage each business segment in terms of its products and expertise to benefit customers.
- Develop prospects who may want to have multiple products and services as part of their relationship with us.

Following is a description of our four business segments and the Treasury / Other function:

- **Commercial Banking:** Through a relationship banking model, the Commercial Banking segment provides a comprehensive set of product offerings and capabilities to middle market, large corporate, specialized industries and government/public sector customers located within our geographic footprint, as well as nationally. The segment is divided into five business units: Regional Commercial Banking, Specialty Banking, Asset Finance, Treasury Management and Capital Markets.

Regional Commercial Banking primarily focuses on providing banking solutions to middle market businesses, government and public sector entities, and commercial real estate developers/REITs. Most middle market and government customers are located within our footprint, while our commercial real estate team serves customers nationally. Within commercial real estate, Huntington Community Development focuses on improving the quality of life for our communities and the residents of low-to-moderate income neighborhoods by developing and delivering innovative products and services to support affordable housing and neighborhood stabilization.

Specialty Banking offers banking solutions to targeted industries across the country. Industries include healthcare, technology and telecommunications, franchise finance, sponsor finance, and global services.

Asset Finance provides equipment financing, asset-based lending, inventory financing, structured lending and municipal financing solutions to small, medium and large commercial and municipal customers across a diversified range of industries on a national basis.

Capital Markets delivers capital raising solutions, sales and trading, and corporate risk management products for Commercial customers. Our Institutional Banking business lines serve corporate and public sector customers with access to public markets and sophisticated financing needs.

Treasury Management offers a robust suite of payments, working capital and liquidity solutions to help businesses effectively manage their payments and investment activity.

- **Consumer and Business Banking:** The Consumer and Business Banking segment provides a wide array of financial products and services to consumer and small business customers including but not limited to checking accounts, savings accounts, money market accounts, CDs, investments, consumer loans, credit cards, and small business loans. Other financial services available to customers include mortgages, insurance, interest rate risk protection, foreign exchange, and treasury management. Huntington serves customers through our network of channels, including branches, online banking, mobile banking, telephone banking, and ATMs.

We have a “Fair Play” banking philosophy: providing differentiated products and services, built on a strong foundation of customer friendly products and advocacy. Our brand resonates with consumers and businesses, helping us acquire new customers and deepen relationships with current customers. Our Fair Play banking suite of products includes 24-Hour Grace[®], Money ScoutSM, \$50 Safety ZoneSM, Early Pay and Standby CashSM.

Business Banking is a dynamic part of our business and we are committed to being the bank of choice for businesses in our markets. Business Banking is defined as serving companies with annual revenues up to \$20 million. Beyond conventional lending solutions, Huntington offers SBA lending, practice finance and treasury management capabilities. We are the #1 SBA lender in the nation in units as of federal fiscal year end September 30, 2021. Huntington continues to develop products and services that are designed specifically to meet the needs of small business and look for ways to help companies find solutions to their financing needs.

Consumer Payments and Lending provides consumer and small business credit and debit cards primarily to our deposit customers as well as unsecured personal loans, personal lines, other direct secured loans. The products are distributed through both branch and online channels. The product suite is aimed at meeting our customers’ borrowing and transacting needs. The team continues to explore ways to innovate and continue to meet the evolving and rapidly changing payment needs of customers.

Home Lending, an operating unit of Consumer and Business Banking, originates consumer loans and mortgages for customers who are generally located in our primary banking markets. Consumer and mortgage lending products are primarily distributed through the Consumer and Business Banking and Regional Banking and The Huntington Private Client Group segments, as well as through commissioned loan originators. Home Lending earns interest on portfolio loans and loans held-for-sale, earns fee income from the origination and servicing of mortgage loans, and recognizes gains or losses from the sale of mortgage loans. Home Lending supports the origination of mortgage loans across all segments.

- **Vehicle Finance:** Our products and services include providing financing to consumers for the purchase of automobiles, light-duty trucks, recreational vehicles, and marine craft at franchised and other select dealerships, and providing financing to franchised dealerships for the acquisition of new and used inventory. Products and services are delivered through highly specialized relationship-focused bankers and product partners. Huntington creates well-defined relationship plans which identify needs where solutions are developed and customer commitments are obtained.

The Vehicle Finance team services automobile dealerships, their owners, and consumers buying automobiles through these franchised dealerships. Huntington has provided new and used automobile financing and dealer services throughout the Midwest since the early 1950s. This consistency in the market and our focus on working with strong dealerships has allowed us to expand into select markets outside of the Midwest and to actively deepen relationships in 27 states while building a strong reputation. Huntington also provides financing for the purchase by consumers of recreational vehicles and marine craft on an indirect basis through a series of dealerships with a 34 state footprint, including coastal states.

- **Regional Banking and The Huntington Private Client Group:**Regional Banking and The Huntington Private Client Group is closely aligned with our regional banking markets. A fundamental point of differentiation is our commitment to be actively engaged within our local markets - building connections with community and business leaders and offering a uniquely personal experience delivered by colleagues working within those markets.

The core business of The Huntington Private Client Group is The Huntington Private Bank, which consists of Private Banking, Wealth & Investment Management, and Retirement Plan Services. The Huntington Private Bank provides high net-worth customers with deposit, lending (including specialized lending options), and banking services. The Huntington Private Bank also delivers wealth management and legacy planning through investment and portfolio management, fiduciary administration, and trust services. This group also provides retirement plan services to corporate businesses. The Huntington Private Client Group also provides corporate trust services and institutional and mutual fund custody services.

- **Treasury / Other:**The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

The financial results for each of these business segments are included in Note 25 - [“Segment Reporting”](#) of Notes to Consolidated Financial Statements and are discussed in the [“Business Segment Discussion”](#) of our MD&A.

ESG

ESG Oversight

With oversight from our Board of Directors, we and our colleagues are committed to implementing strong ESG practices by living out our Purpose of making people’s lives better, helping businesses thrive, and strengthening the communities we serve. The following represents how ESG is governed and integrated throughout the Company:



ESG Working Group

Huntington’s ESG Working Group is primarily responsible for driving the overarching ESG strategy for the Company and making strategy recommendations to the Board; reporting ESG strategy, goals, and progress to the Board (typically on a quarterly basis); and publishing our various ESG disclosures, including the annual ESG Report. The ESG Working Group is comprised of a core, cross-functional group with representatives from our Environmental Strategy & Sustainability, Investor Relations, Legal, Corporate Communications, and Corporate Governance functions. To keep abreast of matters throughout the year, this group typically meets on a weekly basis.

ESG Strategy Team

The ESG Strategy Team is responsible for advancing the ESG strategy and facilitating implementation of the strategy at the segment- and business unit-level; ensuring consistent understanding of ESG strategy throughout the Company; and assisting with ESG goal setting, reporting, and monitoring. The Team also works to identify ESG-related innovation and advancement opportunities aligned with strategic planning for the enterprise. This larger group includes executive leaders across business segments and support units and meets regularly throughout the year.

Climate Risk Management Working Group

Our Climate Risk Management Working Group, led by our Climate Risk Director, has the more narrowed focus of creating and monitoring Huntington's Climate Risk Framework, performing climate risk scenario testing, and establishing our financed emissions methodology.

Economic

Our economic impact begins with our commitment to delivering sustainable, long-term shareholder value through financial performance, while maintaining an aggregate moderate-to-low, through-the-cycle risk appetite and a well-capitalized position. We align our corporate strategy to our purpose of helping others and build upon our market-leading, purpose-driven bank through focused efforts on the environmental, social and governance issues most important to our business and our stakeholders.

Following the acquisition of TCF, in June 2021, we committed \$40 billion toward a new Strategic Community Plan to strengthen small businesses and foster economic justice through our footprint over the next five years. The Strategic Community Plan builds on the goals of our previous community plans, with expanded commitments focusing on increasing lending and services to address economic, social, environmental, and racial equity areas of need as follows:

- Huntington committed to providing \$24 billion in affordable housing financing and consumer lending.
- Huntington expanded its Small Business lending programs into its new footprint and committed \$10 billion to the programs.
- Huntington committed \$6.5 billion in loans and investments to establish programs and services that foster equity in areas such as affordable housing, small business financing, and community services.
- Embedded in the areas of need above is a \$16 billion commitment for Diversity, Equity, and Inclusion initiatives, with allocation of funds to minority borrowers and communities to advance systemic change.

Environmental

Our approach to environmental sustainability is guided by our Environmental Policy Statement, which outlines our pledge to protect the environment, address climate change, and manage our environmental risks. We demonstrate our commitment and transparency through our disclosures to CDP and our reporting to the TCFD framework.

We have made progress on our goals to reduce our operational (Scope 1 and Scope 2) emissions, reduce our landfill waste, paper printing, and water consumption. We have also committed to shifting 50% of our electricity usage to renewable sources by 2035. In November of 2021, we announced our first-ever Climate Risk Director and Environmental Strategy & Sustainability Director providing an increased focus on climate risk and environmental related efforts.

Human Capital (Social)

Huntington aspires to be a Category of One financial services institution: an organization unique in the combination of its culture and performance. Huntington had 18,442 average full-time equivalent colleagues during 2021, all of whom are encouraged to live out a shared purpose of making people's lives better, helping businesses thrive, and strengthening the communities we serve. We believe purpose driven leadership facilitates progress in achieving a diverse and inclusive workforce and in driving performance.

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We engage with our colleagues to gain valuable feedback on a wide range of subjects related to the experience of working at Huntington, with a strategic focus on culture, trust and engagement. We value the feedback colleagues choose to share and use the information to drive our talent management strategy, which focuses on four key areas and a commitment to diversity, equity and inclusion:

- Engagement
- Development
- Retention, and
- Attraction of top talent

Engagement

At Huntington, we have taken steps to ensure our values, beliefs, and behaviors align with those of current and potential colleagues. We believe we have highly engaged colleagues committed to looking out for each other and our customers with a balanced focus on “what we do” and “how we do it.” This synergy has proven to positively impact colleague performance and satisfaction. 2021 marked the eighth consecutive year we conducted a company-wide engagement survey to measure our colleagues’ experience across a variety of areas, with a strategic focus on culture, trust, and engagement – and the results, which included responses of our newly integrated TCF colleagues, were reaffirming. In 2021, 83%, 85% and 81% responded favorably on culture, trust and engagement respectively. 79% of colleagues responded they would recommend Huntington as a great place to work. In addition to the annual company-wide engagement survey, we further engaged our colleagues by launching three broad pulse surveys. These surveys were leveraged to inform of colleague sentiment on key and timely topics, such as the cultural integration of TCF, the health and safety response to COVID-19, and the transition to remote work.

At Huntington, living our shared Purpose extends beyond our daily work. We believe that building connections between colleagues, their families and our communities creates a meaningful, fulfilling and enjoyable colleague experience. During 2021, Huntington colleagues continued to successfully navigate through the on-going pandemic challenges, safely providing over 28,000 volunteer hours to organizations across our footprint.

Development

We have created specialized programs to help our colleagues grow and develop. These programs include an online library which allows colleagues to take ownership of their development via direct access to role-based content. The content is divided into three key areas of development: learning and growth, maximizing performance, and protecting the company. During 2021, all our colleagues had experienced training within one or more of these areas with an average of 30.7 training hours per average full-time equivalent colleague. Additionally, we expanded learning opportunities across our footprint offering all colleagues the ability to obtain post-secondary education with reimbursement of tuition.

Fostering an inclusive work environment is a responsibility shared by all colleagues. To ensure all Huntington colleagues are able to identify the value of, and exhibit, behaviors that drive diversity, equity, and inclusion, we offer year-round training. In 2021, our colleagues collectively completed 1.3 hours per average full-time equivalent colleague of diversity, equity and inclusion training, with additional opportunities to participate in Inclusion Council and Business Resource Group events.

Retention

Huntington offers competitive rewards programs that further strengthen our employment value proposition and encourages colleague retention. Our compensation structure includes benefit plans and programs focused on multiple facets of well-being, including physical, mental, and financial wellness. Effective January 1, 2022 we increased the minimum hourly pay rate to \$19. We also offer Workplace Flex to help employees achieve work/life harmony with flexible work arrangements, parental leave, and other health, wellness and financial benefits and services that assist employees and their families. Our Workplace Flex includes flextime, staggered hours, compressed workweek, part-time schedule or working remote.

Huntington is committed to pay equity so that gender, race, and ethnicity are not determining factors in salaries, bonuses, and stock-based awards. We continue to identify and implement effective practices to promote pay equity, including pay analyses, additional hiring practices that protect pay equity, and training managers on explicit and implicit bias in compensation and promotion decisions. Huntington seeks to maintain approximately 100% pay equity.

In response to the COVID-19 pandemic, we implemented significant changes to support the interests and needs of our colleagues, as well as the communities in which we operate. This includes mobilizing work access for roles that can be performed remotely and implementing additional safety measures for colleagues while continuing critical on-site duties. Further, we implemented colleague relief benefits, such as paid emergency leave and emergency childcare time off so that our colleagues can have peace of mind concerning events that may require time away from work.

Collectively, these strategies create a colleague experience that entices colleagues to stay and fulfill their dreams with Huntington.

Attraction of top talent

We are dedicated to attracting top talent with an emphasis on experience and behaviors that align with our Purpose and our core values of 'Can Do, Forward Thinking, and Service Heart'.

The diversity of our colleagues is a key component of our success as an organization as it allows us to have a workforce that is representative of the communities we serve. We define diversity as women and any race category other than white. We proactively seek out a diverse candidate pool during the recruitment process across all levels and include a declaration in our employee handbooks about our commitment to fair and equitable treatment for all colleagues. To keep current on colleague diversity, Huntington offers an opportunity annually for all colleagues to self-identify with respect to gender, ethnicity and race, disability and veteran's status. During 2021, we offered select student internships to serve as a pipeline for entry-level talent with 73% of these internships fulfilled by diverse students. Additionally, we are focused on identifying, supporting and promoting qualified diverse candidates in leadership roles, where as of December 31, 2021, our combined middle, senior and executive management levels are 45% diverse. As of December 31, 2021, our total workforce was 68% diverse.

We understand that to support our diverse culture, we must also have inclusion, which is a corporate strategic objective. Huntington executes a strategy of inclusion in multiple ways. First, our Chief Diversity, Equity, and Inclusion Officer ensures Diversity, Equity, and Inclusion perspectives are an integral part of executive decisions made at Huntington. This is achieved by measuring and socializing progress on diversity across our footprint and providing diversity and inclusion programs to our colleagues. In addition, we have Inclusion Councils and Business Resource Groups to support our commitment to engage, develop, retain and attract top diverse talent. Inclusion Councils are voluntary, colleague driven regional councils that focus on an inclusive, respectful and supportive environment for all colleagues. The Business Resource Groups are voluntary, colleague-driven groups organized around a shared interest or common diversity dimension. Both are important components to our inclusion strategy and deliver content throughout the year.

Governance

Our Board of Directors and ELT are committed to executing on our long-term vision. Our Board members are accomplished leaders from diverse backgrounds, bringing the perspectives, skills, and experience necessary to use independent judgment that will effectively challenge and drive continued success. Our Board members approve the strategy, risk appetite, and ethical standards for the entire organization, and our ELT ensures our business and enterprise functions operate with high legal, ethical, and moral standards through clearly stated policies and procedures. Additionally, our leaders set the tone and oversee compliance with our standards and direct the company's financial reporting and internal controls.

At the end of 2021, our Board consisted of 17 directors, comprised of our Chairman/President/CEO as well as our Huntington National Bank Chairman, and 15 independent directors, including our Independent Lead Director. Our key risk and governance committees require at least three directors who are independent and are chaired by an independent director with the knowledge and expertise to lead the committee. As of December 31, 2021, both our ELT and Board were 47% diverse.

Competition

We compete with other banks and financial services companies such as savings and loans, credit unions, and finance and trust companies, as well as mortgage banking companies, equipment and automobile financing companies (including captive automobile finance companies), insurance companies, mutual funds, investment advisors, brokerage firms, and non-bank lenders both within and outside of our primary market areas. Financial Technology Companies, or FinTechs, are also providing nontraditional, but increasingly strong, competition for our borrowers, depositors, and other customers.

We compete for loans primarily on the basis of value and service by building customer relationships through addressing our customers' entire suite of banking needs, demonstrating expertise, and providing convenience. We also consider the competitive pricing pressures in each of our markets.

We compete for deposits similarly on the basis of value and service and by providing convenience through a banking network of branches and ATMs within our markets and our website at www.huntington.com. We employ customer friendly practices, such as a \$50 Safety Zonesm, which prevents customers from being charged an overdraft fee if they overdraw by \$50 or less, 24-Hour Grace[®] account feature for both commercial and consumer accounts, which gives customers an additional business day to cover overdrafts to their account without being charged overdraft fees, as well as Early Pay, which allows customers with direct deposit availability to their paycheck up to two days early. Customers can qualify for Standby Cashsm based on their checking deposit history, not their credit score, which provides up to \$1,000 short-term line of credit free with automatic payments, or a 1% monthly interest charge without automatic payments. Huntington also has created a feature called Money Scout^{em}, which is a tool that analyzes a customer's spending habits and moves money that is not being used into that customer's savings account. These measures fall under our approach of "Fair Play Banking."

The table below shows our competitive ranking and market share based on deposits of FDIC-insured institutions as of June 30, 2021, in the top 10 MSAs in which we compete:

MSA	Rank	Deposits (in millions)	Market Share
Columbus, OH	1	\$ 33,392	34 %
Detroit, MI	4	19,727	10
Cleveland, OH	2	14,193	14
Chicago, IL	12	9,920	2
Minneapolis-St. Paul, MN	5	6,545	3
Grand Rapids, MI	2	5,890	19
Akron, OH	1	5,397	27
Indianapolis, IN	5	5,017	7
Cincinnati, OH	4	4,847	3
Pittsburgh, PA	9	4,044	2

Source: FDIC.gov, based on June 30, 2021 survey.

Many of our nonfinancial institution competitors have fewer regulatory constraints, broader geographic service areas, greater capital, and, in some cases, lower cost structures. In addition, competition for quality customers has intensified as a result of changes in regulation, advances in technology and product delivery systems, and consolidation among financial service providers.

FinTechs continue to emerge in key areas of banking. In addition, larger established technology platform companies continue to evaluate, and in some cases, create businesses focused on banking products. We are closely monitoring activity in the marketplace to ensure that our products and services are technologically competitive. Further, we continue to invest in and evolve our innovation program to develop, incubate, and launch new products and services driving ongoing differentiated value for our customers. Our overall strategy involves an active corporate development program that seeks to identify partnership and possible investment opportunities in technology-driven companies that can augment our distribution and product capabilities.

Regulatory Matters

Regulatory Environment

The banking industry is highly regulated. We are subject to supervision, regulation, and examination by various federal and state regulators, including the Federal Reserve, OCC, SEC, CFPB, FDIC, FINRA, and various state regulatory agencies. The statutory and regulatory framework that governs us is generally intended to protect depositors and customers, the DIF, the U.S. banking and financial system, and financial markets as a whole.

Banking statutes, regulations, and policies are continually under review by Congress, state legislatures, and federal and state regulatory agencies. In addition to laws and regulations, state and federal bank regulatory agencies may issue policy statements, interpretive letters, and similar written guidance applicable to Huntington and its subsidiaries. Any change in the statutes, regulations, or regulatory policies applicable to us, including changes in their interpretation or implementation, could have a material effect on our business or organization.

In October 2019, the Federal Reserve adopted the EPS Tailoring Rule pursuant to the Economic Growth Act, which adjusted the thresholds at which certain enhanced prudential standards apply to U.S. BHCs with \$100 billion or more in total consolidated assets. Also in October 2019, the Federal Reserve, OCC, and FDIC adopted the Capital and Liquidity Tailoring Rule, which similarly adjusted the thresholds at which certain other capital and liquidity standards apply to U.S. BHCs and banks with \$100 billion or more in total consolidated assets. Under the Tailoring Rules, these BHCs and banks, including Huntington and the Bank, are placed into one of four risk-based categories based on the banking organization's size, status as a global systemically important bank (or not), cross-jurisdictional activity, weighted short-term wholesale funding, nonbank assets, and off-balance sheet exposure. The extent to which enhanced prudential standards and certain other capital and liquidity standards apply to these BHCs and banks depends on the banking organization's category. Under the Tailoring Rules, Huntington and the Bank each qualify as a Category IV banking organization subject to the least restrictive of the requirements applicable to firms with \$100 billion or more in total consolidated assets.

As a result of the Economic Growth Act and the Tailoring Rules, Huntington and the Bank are subject to less restrictive requirements with respect to certain enhanced prudential standards and capital and liquidity requirements than in past years, but our business remains subject to extensive regulation and supervision. The U.S. banking agencies may issue additional rules to tailor the application of certain other regulatory requirements to BHCs and banks, including Huntington and the Bank.

We are also subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, both as administered by the SEC, as well as the rules of Nasdaq that apply to companies with securities listed on the Nasdaq Global Select Market.

The following discussion describes certain elements of the comprehensive regulatory framework applicable to us. This discussion is not intended to describe all laws and regulations applicable to Huntington, the Bank, and Huntington's other subsidiaries.

Huntington as a Bank Holding Company

Huntington is registered as a BHC with the Federal Reserve under the BHC Act and qualifies for and has elected to become a FHC under the GLBA. As a FHC, Huntington is permitted to engage in, and be affiliated with companies engaging in, a broader range of activities than those permitted for a BHC. BHCs are generally restricted to engaging in the business of banking, managing or controlling banks, and certain other activities determined by the Federal Reserve to be closely related to banking. FHCs may also engage in activities that are considered to be financial in nature, as well as those incidental or complementary to financial activities, including underwriting, dealing and making markets in securities, and making merchant banking investments in non-financial companies. Huntington and the Bank must each remain "well-capitalized" and "well managed" in order for Huntington to maintain its status as a FHC. In addition, the Bank must receive a CRA rating of at least "Satisfactory" at its most recent examination for Huntington to engage in the full range of activities permissible for FHCs.

Huntington is subject to primary supervision, regulation and examination by the Federal Reserve, which serves as the primary regulator of our consolidated organization. The primary regulators of our non-bank subsidiaries directly regulate the activities of those subsidiaries, with the Federal Reserve exercising a supervisory role. Such non-bank subsidiaries include, for example, broker-dealers and investment advisers both registered with the SEC.

The Bank as a National Bank

The Bank is a national banking association chartered under the laws of the United States. As a national bank, the activities of the Bank are limited to those specifically authorized under the National Bank Act and OCC regulations. The Bank is subject to comprehensive primary supervision, regulation, and examination by the OCC. As a member of the DIF, the Bank is also subject to regulation and examination by the FDIC.

Supervision, Examination and Enforcement

A principal objective of the U.S. bank regulatory regime is to protect depositors and customers, the DIF, the U.S. banking and financial system, and financial markets as a whole by ensuring the financial safety and soundness of BHCs and banks, including Huntington and the Bank. Bank regulators regularly examine the operations of BHCs and banks. In addition, BHCs and banks are subject to periodic reporting and filing requirements.

The Federal Reserve, OCC, and FDIC have broad supervisory and enforcement authority with regard to BHCs and banks, including the power to conduct examinations and investigations, impose nonpublic supervisory agreements, issue cease and desist orders, impose fines and other civil and criminal penalties, terminate deposit insurance, and appoint a conservator or receiver. In addition, Huntington, the Bank, and other Huntington subsidiaries are subject to supervision, regulation, and examination by the CFPB, which is the primary administrator of most federal consumer financial statutes and Huntington's primary consumer financial regulator. Supervision and examinations are confidential, and the outcomes of these actions may not be made public.

Bank regulators have various remedies available if they determine that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of a banking organization's operations are unsatisfactory. The regulators may also take action if they determine that the banking organization or its management is violating or has violated any law or regulation. The regulators have the power to, among other things, prohibit unsafe or unsound practices, require affirmative actions to correct any violation or practice, issue administrative orders that can be judicially enforced, direct increases in capital, direct the sale of subsidiaries or other assets, limit dividends and distributions, restrict growth, assess civil monetary penalties, remove officers and directors, and terminate deposit insurance.

Engaging in unsafe or unsound practices or failing to comply with applicable laws, regulations, and supervisory agreements could subject the Company, its subsidiaries, and their respective officers, directors, and institution-affiliated parties to the remedies described above, and other sanctions. In addition, the FDIC may terminate a bank's deposit insurance upon a finding that the bank's financial condition is unsafe or unsound or that the bank has engaged in unsafe or unsound practices or has violated an applicable rule, regulation, order, or condition enacted or imposed by the bank's regulatory agency.

Huntington is subject to the Federal Reserve's LFI Rating System, to align its supervisory rating system, which places a greater emphasis on capital and liquidity, including related planning and risk management practices as compared to the supervisory rating system applicable to smaller BHCs. These ratings will remain confidential.

Bank Acquisitions by Huntington

BHCs, such as Huntington, must obtain prior approval of the Federal Reserve in connection with any acquisition that results in the BHC owning or controlling 5% or more of any class of voting securities of a bank or another BHC.

Acquisitions of Ownership of the Company

Acquisitions of Huntington's voting stock above certain thresholds are subject to prior regulatory notice or approval under federal banking laws, including the BHC Act and the Change in Bank Control Act of 1978. Under the Change in Bank Control Act, a person or entity generally must provide prior notice to the Federal Reserve before acquiring the power to vote 10% or more of our outstanding common stock. Investors should be aware of these requirements when acquiring shares in our stock.

Interstate Banking

Under the Riegle-Neal Act, a BHC may acquire banks in states other than its home state, subject to any state requirement that the bank has been organized and operating for a minimum period of time, not to exceed five years, and the requirement that the BHC not control, prior to or following the proposed acquisition, more than 10% of the total amount of deposits of insured depository institutions nationwide or, unless the acquisition is the BHC's initial entry into the state, more than 30% of such deposits in the state (or such lesser or greater amount set by the state). The Riegle-Neal Act also authorizes banks to merge across state lines, thereby creating interstate branches. A national bank, such as the Bank, with the approval of the OCC may open a branch in any state if the law of that state would permit a state bank chartered in that state to establish the branch.

Regulatory Capital Requirements

Huntington and the Bank are subject to certain risk-based capital and leverage ratio requirements under the U.S. Basel III capital rules adopted by the Federal Reserve, for Huntington, and by the OCC, for the Bank. These rules implement the Basel III international regulatory capital standards in the United States, as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the Federal Reserve and OCC may determine that a banking organization, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner.

Under the U.S. Basel III capital rules, Huntington's and the Bank's assets, exposures, and certain off-balance sheet items are subject to risk weights used to determine the institutions' risk-weighted assets. These risk-weighted assets are used to calculate the following minimum capital ratios for Huntington and the Bank:

- **CET1 Risk-Based Capital Ratio**, equal to the ratio of CET1 capital to risk-weighted assets. CET1 capital primarily includes common shareholders' equity subject to certain regulatory adjustments and deductions, including goodwill, intangible assets, certain deferred tax assets, and AOCI.
- **Tier 1 Risk-Based Capital Ratio**, equal to the ratio of Tier 1 capital to risk-weighted assets. Tier 1 capital is primarily comprised of CET1 capital, perpetual preferred stock, and certain qualifying capital instruments.
- **Total Risk-Based Capital Ratio**, equal to the ratio of total capital, including CET1 capital, Tier 1 capital, and Tier 2 capital, to risk-weighted assets. Tier 2 capital primarily includes qualifying subordinated debt and qualifying ALLL. Tier 2 capital also includes, among other things, certain trust preferred securities.
- **Tier 1 Leverage Ratio**, equal to the ratio of Tier 1 capital to quarterly average assets (net of goodwill, certain other intangible assets, and certain other deductions).

Huntington and the Bank have elected to temporarily delay certain effects of CECL on regulatory capital for two years, followed by a three-year transition period beginning January 1, 2022 pursuant to a rule that allows BHCs and banks to delay for two years 100% of the day-one impact of adopting CECL and 25% of the cumulative change in the reported allowance for credit losses since adopting CECL. The cumulative impact of the two-year delay will be phased-in over the three-year transition period.

The total minimum regulatory capital ratios and well-capitalized minimum ratios are reflected in the table below in this section. The Federal Reserve has not yet revised the well-capitalized standard for BHCs to reflect the higher capital requirements imposed under the U.S. Basel III capital rules. For purposes of the Federal Reserve's Regulation Y, including determining whether a BHC meets the requirements to be an FHC, BHCs, such as Huntington, must maintain a Tier 1 Risk-Based Capital Ratio of 6.0% or greater and a Total Risk-Based Capital Ratio of 10.0% or greater. If the Federal Reserve were to apply the same or a very similar well-capitalized standard to BHCs as that applicable to the Bank, Huntington's capital ratios as of December 31, 2021, would exceed such revised well-capitalized standard. The Federal Reserve may require BHCs, including Huntington, to maintain capital ratios substantially in excess of mandated minimum levels, depending upon general economic conditions and a BHC's particular condition, risk profile, and growth plans.

Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our operations or financial condition. Failure to be well-capitalized or to meet minimum capital requirements could also result in restrictions on Huntington's or the Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications.

In addition to meeting the minimum capital requirements, under the U.S. Basel III capital rules, Huntington and the Bank must also maintain the required stress capital buffer and Capital Conservation Buffer, respectively, to avoid becoming subject to restrictions on capital distributions and certain discretionary bonus payments to management. The Capital Conservation Buffer is 2.5% and is calculated as a ratio of CET1 capital to risk-weighted assets, and it effectively increases the required minimum risk-based capital ratios. The Tier 1 Leverage Ratio is not impacted by the Capital Conservation Buffer, and a banking institution may be considered well-capitalized while remaining out of compliance with the Capital Conservation Buffer. In March 2020, the Federal Reserve issued a final rule that, among other things, replaced the Capital Conservation Buffer with stress buffer requirements for certain large BHCs, including Huntington. Please refer to the Stress Buffer Requirements section below for further details.

The following table presents the minimum regulatory capital ratios, minimum ratio plus capital conservation buffer, and well-capitalized minimums compared with Huntington's and the Bank's regulatory capital ratios as of December 31, 2021, calculated using the regulatory capital methodology applicable during 2021.

		Minimum Regulatory Capital Ratio	Minimum Ratio + Capital Conservation Buffer (1)	Well-Capitalized Minimums (2)	At December 31, 2021 Actual
Ratios:					
CET 1 risk-based capital ratio	Consolidated	4.50 %	7.00 %	N/A	9.33 %
	Bank	4.50	7.00	6.50 %	10.15
Tier 1 risk-based capital ratio	Consolidated	6.00	8.50	6.00	10.99
	Bank	6.00	8.50	8.00	11.06
Total risk-based capital ratio	Consolidated	8.00	10.50	10.00	13.14
	Bank	8.00	10.50	10.00	12.58
Tier 1 leverage ratio	Consolidated	4.00	N/A	N/A	8.56
	Bank	4.00	N/A	5.00	8.60

(1) Reflects a stress capital buffer of 2.5% for Huntington and the capital conservation buffer of 2.5% for the Bank.

(2) Reflects the well-capitalized standard applicable to Huntington under Federal Reserve Regulation Y and the well-capitalized standard applicable to the Bank.

Huntington has the ability to provide additional capital to the Bank to maintain the Bank's risk-based capital ratios at levels which would be considered well-capitalized.

As of December 31, 2021, Huntington's and the Bank's regulatory capital ratios were above the well-capitalized standards and met the stress capital buffer and the Capital Conservation Buffer, respectively.

Liquidity Requirements

Under the Capital and Liquidity Tailoring Rule, Huntington, as a Category IV banking organization with less than \$50 billion in weighted short-term wholesale funding, is exempt from the LCR and net stable funding ratio requirements but will continue to be subject to internal liquidity stress tests and standards.

Enhanced Prudential Standards

Under the Dodd-Frank Act, as modified by the Economic Growth Act, BHCs with consolidated assets of more than \$100 billion, such as Huntington, are currently subject to certain enhanced prudential standards. As a result, Huntington is subject to more stringent standards, including liquidity and capital requirements, leverage limits, stress testing, resolution planning, and risk management standards, than those applicable to smaller institutions. Certain larger banking organizations are subject to additional enhanced prudential standards.

A rule to implement one additional enhanced prudential standard—early remediation requirements—is still under consideration by the Federal Reserve. In June 2018, the Federal Reserve adopted a final rule that established single counterparty credit limits. The single counterparty credit limits do not apply to BHCs like Huntington that do not have at least \$250 billion of total consolidated assets.

As discussed in the Regulatory Environment section above, under the EPS Tailoring Rule, Huntington, as a Category IV banking organization, is subject to the least restrictive enhanced prudential standards applicable to firms with \$100 billion or more in total consolidated assets. As compared to enhanced prudential standards that were applicable to Huntington, under the EPS Tailoring Rule, Huntington is no longer subject to company-run stress testing requirements and is subject to supervisory stress tests every other year (as opposed to annually), less frequent internal liquidity stress tests, and reduced liquidity risk management requirements. Future rules to implement the Economic Growth Act may further change the enhanced prudential standards applicable to Huntington.

Capital Planning and Stress Testing

Huntington is required to develop, maintain, and submit to the Federal Reserve a capital plan every year, which is subject to supervisory review in connection with the Federal Reserve's CCAR process. Huntington is required to include within its capital plan an assessment of the expected uses and sources of capital and a description of all planned capital actions over the nine-quarter planning horizon, a detailed description of the process for assessing capital adequacy, its capital policy, and a discussion of any expected changes to its business plan that are likely to have a material impact on its capital adequacy. Under the stress buffer requirements final rule adopted in March 2020, the CCAR process is used to determine a BHC's stress capital buffer requirement. Please refer to the Stress Buffer Requirements section below for further details.

The Federal Reserve expects BHCs subject to CCAR, such as Huntington, to have sufficient capital to withstand a highly adverse operating environment and to be able to continue operations, maintain ready access to funding, meet obligations to creditors and counterparties, and serve as credit intermediaries. In addition, the Federal Reserve evaluates the planned capital actions of these BHCs, including planned capital distributions such as dividend payments or stock repurchases. This involves a quantitative assessment of capital based on supervisory-run stress tests that assess the ability to maintain capital levels above certain minimum ratios, after taking all capital actions included in a BHC's capital plan, under baseline and stressful conditions throughout the nine-quarter planning horizon. As part of CCAR, the Federal Reserve evaluates whether BHCs have sufficient capital to continue operations throughout times of economic and financial market stress and whether they have robust, forward-looking capital planning processes that account for their unique risks. We are generally prohibited from making a capital distribution unless, after giving effect to the distribution, we will meet all minimum regulatory capital ratios. Under the stress buffer requirements final rule adopted in March 2020, BHCs, including Huntington, may increase their capital distributions in excess of the amount included in their capital plan without seeking prior approval from the Federal Reserve as long as the BHC otherwise complies with the automatic restrictions on distributions under the Federal Reserve's capital rules.

While the Federal Reserve is no longer allowed to object to the capital plan of a large and non-complex BHC, such as Huntington, on a qualitative, as opposed to quantitative, basis, the Federal Reserve may evaluate the strength of Huntington's qualitative capital planning process through the regular supervisory process and targeted horizontal reviews of particular aspects of capital planning. In addition, under the stress buffer requirements final rule adopted in March 2020, the Federal Reserve may no longer object to capital plans of BHCs, including Huntington, on a quantitative basis. Please refer to the Stress Buffer Requirements section below for further details.

Stress Buffer Requirements

In March 2020, the Federal Reserve issued a final rule to integrate its annual capital planning and stress testing requirements with certain ongoing regulatory capital requirements. The final rule applies to certain BHCs, including Huntington, and introduces a stress capital buffer and related changes to the capital planning and stress testing processes.

For risk-based capital requirements, Huntington is required to calculate a SCB equal to the greater of (i) the difference between its starting and minimum projected CET1 Risk-Based Capital Ratio under the severely adverse scenario in the supervisory stress test, plus the sum of the dollar amount of Huntington's planned common stock dividends for each of the fourth through seventh quarters of the planning horizon as a percentage of risk-weighted assets, or (ii) 2.5%. As of December 31, 2021, Huntington's SCB is 2.5%.

The final rule also makes related changes to the capital planning and stress testing process. Among other changes, the revised capital plan rule eliminates the assumption that Huntington's balance sheet assets would increase over the planning horizon. In addition, provided that Huntington is otherwise in compliance with automatic restrictions on distributions under the Federal Reserve's capital rules, Huntington will no longer be required to seek prior approval to make capital distributions in excess of those included in its capital plan.

Restrictions on Dividends

Huntington is a legal entity separate and distinct from its banking and non-banking subsidiaries. Since our consolidated net income consists largely of net income of Huntington's subsidiaries, our ability to make capital distributions, including paying dividends and repurchasing shares, depends upon our receipt of dividends from these subsidiaries. Under federal law, there are various limitations on the extent to which the Bank can declare and pay dividends to Huntington, including those related to regulatory capital requirements, general regulatory oversight to prevent unsafe or unsound practices, and federal banking law requirements concerning the payment of dividends out of net profits, surplus, and available earnings. Certain contractual restrictions also may limit the ability of the Bank to pay dividends to Huntington. No assurances can be given that the Bank will, in any circumstances, pay dividends to Huntington.

Huntington's ability to declare and pay dividends to our shareholders is similarly limited by federal banking law and Federal Reserve regulations and policy. As discussed in the Capital Planning section above, a BHC may pay dividends and repurchase stock only in accordance with a capital plan that has been reviewed by the Federal Reserve and as to which the Federal Reserve has not objected.

Huntington must maintain the applicable stress capital buffer and the Bank must maintain the CET1 Capital Conservation Buffer of 2.5% to avoid becoming subject to restrictions on capital distributions, including dividends. For more information on the stress buffer requirements and the Capital Conservation Buffer, see the Stress Capital Buffer Requirements and the Regulatory Capital Requirements sections above, respectively.

Federal Reserve policy provides that a BHC generally should not pay dividends unless (1) the BHC's net income over the last four quarters (net of dividends paid) is sufficient to fully fund the dividends, (2) the prospective rate of earnings retention appears consistent with the capital needs, asset quality, and overall financial condition of the BHC and its subsidiaries, and (3) the BHC will continue to meet minimum required capital adequacy ratios. Accordingly, a BHC should not pay cash dividends that can only be funded in ways that weaken the BHC's financial health, such as by borrowing. A BHC should inform the Federal Reserve reasonably in advance of declaring or paying a dividend that exceeds earnings for the period for which the dividend is being paid or that could result in a material adverse change to the BHC's capital structure. BHCs should also consult with the Federal Reserve before increasing dividends or redeeming or repurchasing capital instruments. Additionally, the Federal Reserve could prohibit or limit the payment of dividends by a BHC if it determines that payment of the dividend would constitute an unsafe or unsound practice.

In response to the uncertainty caused by the COVID-19 pandemic, certain large BHCs, including Huntington, were not permitted to make share repurchases, subject to certain limited exceptions, during the third and fourth quarters of 2020, but were permitted to make dividend payments subject to limits based on the amount of dividends paid in the second quarter and the firm's average net income over the preceding four quarters. For the first and second quarters of 2021, provided that a BHC did not increase its common stock dividends higher than the level paid in the second quarter of 2020, BHCs, including Huntington, were permitted to pay common dividends and make share repurchases that, in the aggregate, did not exceed an amount equal to the average of the firm's net income over the four preceding calendar quarters. BHCs could also make additional share repurchases up to the amount of share issuances related to expensed employee compensation. These temporary restrictions were lifted after the second quarter of 2021, and these BHCs, including Huntington, are currently subject to the normal capital distribution restrictions of the stress capital buffer framework.

Volcker Rule

Under the Volcker Rule, we are prohibited from (1) engaging in short-term proprietary trading for our own account and (2) having certain ownership interests in and relationships with hedge funds or private equity funds (covered funds). The Volcker Rule regulations contain exemptions for market-making, hedging, underwriting, trading in U.S. government and agency obligations, and also permit certain ownership interests in certain types of covered funds to be retained. They also permit the offering and sponsoring of covered funds under certain conditions. The Volcker Rule regulations impose significant compliance and reporting obligations on banking entities, such as Huntington. We have put in place the compliance programs required by the Volcker Rule and have either divested or received extensions for any holdings in illiquid covered funds.

As of October 2019, the five federal agencies with rulemaking authority with respect to the Volcker Rule finalized amendments to the proprietary trading provisions of the Volcker Rule. These amendments tailor the Volcker Rule's compliance requirements to the amount of a firm's trading activity, revise the definition of trading account, clarify certain key provisions in the Volcker Rule, and modify the information companies are required to provide the federal agencies. These amendments to the Volcker Rule are not material to our investing and trading activities.

In June 2020, the five federal agencies finalized amendments to the Volcker Rule's restrictions on ownership interests in and relationships with covered funds. Among other things, these amendments permit banking entities to have relationships with and offer additional financial services to additional types of funds and investment vehicles. These amended requirements are not material to Huntington's investing and trading activities.

Resolution Planning

In past years, Huntington was required to submit annually to the Federal Reserve and the FDIC a resolution plan for the orderly resolution of Huntington and its significant legal entities under the U.S. Bankruptcy Code or other applicable insolvency laws in a rapid and orderly fashion in the event of future material financial distress or failure. In October 2019, the Federal Reserve and the FDIC adopted amendments to their resolution planning rule, and as a result of these amendments, Huntington is no longer required to submit a resolution plan to the Federal Reserve and the FDIC.

The Bank is required to periodically file a resolution plan with the FDIC. In April 2019, the FDIC released an advanced notice of proposed rulemaking with respect to the FDIC's bank resolution plan requirements that requested comments on how to better tailor bank resolution plans to a firm's size, complexity, and risk profile, and delayed bank resolution plan submissions to the rulemaking process. The FDIC issued a policy statement in June 2021 announcing that it will resume requiring bank level resolution plans for large banks, including the Bank, and bank-level resolution plans will have more streamlined content requirements. The Bank will be required to submit a bank-level resolution plan every three years, with the next submission date in December 2022.

The public versions of the resolution plans previously submitted by Huntington and the Bank are available on the FDIC's website and, in the case of Huntington's resolution plans, also on the Federal Reserve's website.

Source of Strength

Huntington is required to serve as a source of financial and managerial strength to the Bank and, under appropriate conditions, to commit resources to support the Bank. This support may be required by the Federal Reserve at times when we might otherwise determine not to provide it or when doing so is not otherwise in the interests of Huntington or our shareholders or creditors. The Federal Reserve may require a BHC to make capital injections into a troubled subsidiary bank and may charge the BHC with engaging in unsafe and unsound practices if the BHC fails to commit resources to such a subsidiary bank or if it undertakes actions that the Federal Reserve believes might jeopardize the BHC's ability to commit resources to such subsidiary bank.

Under these requirements, Huntington may in the future be required to provide financial assistance to the Bank should it experience financial distress. Capital loans by Huntington to the Bank would be subordinate in right of payment to deposits and certain other debts of the Bank. In the event of Huntington's bankruptcy, any commitment by Huntington to a federal bank regulatory agency to maintain the capital of the Bank would be assumed by the bankruptcy trustee and entitled to a priority of payment.

FDIC as Receiver or Conservator of Huntington

Upon the insolvency of an insured depository institution, such as the Bank, the FDIC may be appointed as the conservator or receiver of the institution. Under the Orderly Liquidation Authority, upon the insolvency of a BHC, such as Huntington, the FDIC may be appointed as conservator or receiver of the BHC, if certain findings are made by the FDIC, the Federal Reserve, and the Secretary of the Treasury, in consultation with the President. Acting as a conservator or receiver, the FDIC would have broad powers to transfer any assets or liabilities of the institution without the approval of the institution's creditors.

Depositor Preference

The FDIA provides that, in the event of the liquidation or other resolution of an insured depository institution, including the Bank, the claims of depositors of the institution (including the claims of the FDIC as subrogee of insured depositors) and certain claims for administrative expenses of the FDIC as a receiver would have priority over other general unsecured claims against the institution. If the Bank were to fail, insured and uninsured depositors, along with the FDIC, would have priority in payment ahead of unsecured, non-deposit creditors, including Huntington, with respect to any extensions of credit they have made to such insured depository institution.

Transactions between a Bank and its Affiliates

Federal banking laws and regulations impose qualitative standards and quantitative limitations upon certain transactions between a bank and its affiliates, including between a bank and its holding company and companies that the BHC may be deemed to control for these purposes. Transactions covered by these provisions must be on arm's-length terms and cannot exceed certain amounts which are determined with reference to the Bank's regulatory capital. Moreover, if the transaction is a loan or other extension of credit, it must be secured by collateral in an amount and quality expressly prescribed by statute, and if the affiliate is unable to pledge sufficient collateral, the BHC may be required to provide it. The Dodd-Frank Act expanded the coverage and scope of these regulations, including by applying them to the credit exposure arising under derivative transactions, repurchase and reverse repurchase agreements, and securities borrowing and lending transactions. Federal banking laws also place similar restrictions on loans and other extensions of credit by FDIC-insured banks, such as the Bank, and their subsidiaries to their directors, executive officers, and principal shareholders.

Lending Standards and Guidance

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

Heightened Governance and Risk Management Standards

The OCC has published guidelines to set expectations for the governance and risk management practices of certain large financial institutions, including the Bank. The guidelines require covered institutions to establish and adhere to a written governance framework in order to manage and control their risk-taking activities. In addition, the guidelines provide standards for the institutions' boards of directors to oversee the risk governance framework. As discussed in the "[Risk Management and Capital](#)" section of the MD&A, the Bank currently has a written governance framework and associated controls.

Anti-Money Laundering

The Bank Secrecy Act and the Patriot Act contain anti-money laundering and financial transparency provisions intended to detect and prevent the use of the U.S. financial system for money laundering and terrorist financing activities. The Bank Secrecy Act, as amended by the Patriot Act, requires depository institutions and their holding companies to undertake activities including maintaining an AML program, verifying the identity of customers, verifying the identity of certain beneficial owners for legal entity customers, monitoring for and reporting suspicious transactions, reporting on cash transactions exceeding specified thresholds, and responding to requests for information by regulatory authorities and law enforcement agencies. The Bank is subject to the Bank Secrecy Act and, therefore, is required to provide its employees with AML training, designate an AML compliance officer, and undergo an annual, independent audit to assess the effectiveness of its AML program. The Bank has implemented policies, procedures, and internal controls that are designed to comply with these AML requirements. Bank regulators are focusing their examinations on AML compliance, and we will continue to monitor and augment, where necessary, our AML compliance programs. The federal banking agencies are required, when reviewing bank and BHC acquisition or merger applications, to take into account the effectiveness of the AML activities of the applicant.

The Anti-Money Laundering Act of 2020, enacted on January 1, 2021 as part of the National Defense Authorization Act, does not directly impose new requirements on banks, but requires the U.S. Treasury to issue National Anti-Money Laundering and Countering the Financing of Terrorism Priorities, and conduct studies and issue regulations that may, over the next few years, significantly alter some of the due diligence, recordkeeping and reporting requirements that the Bank Secrecy Act and USA PATRIOT Act impose on banks. The Anti-Money Laundering Act of 2020 also contains provisions that promote increased information-sharing and use of technology, and increases penalties for violations of the Bank Secrecy Act and includes whistleblower incentives, both of which could increase the prospect of regulatory enforcement.

OFAC Regulation

OFAC is responsible for administering economic sanctions that affect transactions with designated foreign countries, nationals, and others, as defined by various Executive Orders and in various legislation. OFAC-administered sanctions take many different forms. For example, sanctions may include: (1) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on U.S. persons engaging in financial transactions relating to, making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (2) a blocking of assets in which the government or “specially designated nationals” of the sanctioned country have an interest, by prohibiting transfers of property subject to U.S. jurisdiction, including property in the possession or control of U.S. persons. OFAC also publishes lists of persons, organizations, and countries suspected of aiding, harboring, or engaging in terrorist acts, known as Specially Designated Nationals and Blocked Persons. Blocked assets, for example property and bank deposits, cannot be paid out, withdrawn, set off, or transferred in any manner without a license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences.

Data Privacy

Federal and state law contains extensive consumer privacy protection provisions. The GLBA requires financial institutions to periodically disclose their privacy policies and practices relating to sharing such information and enables retail customers to opt out of our ability to share information with unaffiliated third parties under certain circumstances. Other federal and state laws and regulations impact our ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes, or to contact customers with marketing offers. These security and privacy policies and procedures for the protection of personal and confidential information are in effect across all businesses and geographic locations as applicable. Federal law also makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain customer information of a financial nature by fraudulent or deceptive means.

Data privacy and data protection are areas of increasing state legislative focus. For example, in June of 2018, the Governor of California signed into law the CCPA. The CCPA, which became effective on January 1, 2020, applies to for-profit businesses that conduct business in California and meet certain revenue or data collection thresholds. The CCPA gives consumers the right to request disclosure of information collected about them, and whether that information has been sold or shared with others, the right to request deletion of personal information (subject to certain exceptions), the right to opt out of the sale of the consumer's personal information, and the right not to be discriminated against for exercising these rights. The CCPA contains several exemptions, including that many, but not all, requirements of the CCPA are inapplicable to information that is collected, processed, sold, or disclosed pursuant to the GLBA. California voters also recently passed the California Privacy Rights Act, which will take effect on January 1, 2023, and significantly modifies the CCPA, including imposing additional obligations on covered companies and expanding California consumers' rights with respect to certain sensitive personal information, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. In California, the CCPA may be interpreted or applied in a manner inconsistent with our understanding. Numerous other states have also enacted or are in the process of enacting state-level privacy, data protection and/or data security laws and regulations. The federal government may also pass data privacy or data protection legislation.

Like other lenders, the Bank and other of our subsidiaries use credit bureau data in their underwriting activities. Use of such data is regulated under the FCRA, and the FCRA also regulates reporting information to credit bureaus, prescreening individuals for credit offers, sharing of information between affiliates, and using affiliate data for marketing purposes. Similar state laws may impose additional requirements on us and our subsidiaries.

FDIC Insurance

The DIF provides insurance coverage for certain deposits, up to a standard maximum deposit insurance amount of \$250,000 per depositor and is funded through assessments on insured depository institutions, based on the risk each institution poses to the DIF. The Bank accepts customer deposits that are insured by the DIF and, therefore, must pay insurance premiums. The FDIC may increase the Bank's insurance premiums based on various factors, including the FDIC's assessment of its risk profile.

The FDIC also requires large insured depository institutions, including the Bank, to maintain enhanced deposit account recordkeeping and related information technology system capabilities to facilitate prompt payment of insured deposits if such an institution were to fail.

As of September 30, 2021, the DIF reserve ratio stood at 1.27%. The FDIC, as required under the FDIA, established a plan on September 15, 2020, to restore the DIF reserve ratio to meet or exceed 1.35% within eight years. The FDIC's restoration plan projects the reserve ratio to exceed 1.35% without increasing the deposit insurance assessment rate, subject to ongoing monitoring over the next eight years. The FDIC could increase the deposit insurance assessments for certain insured depository institutions, including the Bank, if the DIF reserve ratio is not restored as projected.

Compensation

Our compensation practices are subject to oversight by the Federal Reserve and, with respect to some of our subsidiaries and employees, by other financial regulatory bodies. The scope and content of compensation regulation in the financial industry are continuing to develop, and we expect that these regulations and resulting market practices will continue to evolve over a number of years.

The federal bank regulatory agencies have issued joint guidance on executive compensation designed to ensure that the incentive compensation policies of banking organizations, such as Huntington and the Bank, do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. In addition, the Dodd-Frank Act requires the federal bank regulatory agencies and the SEC to issue regulations or guidelines requiring covered financial institutions, including Huntington and the Bank, to prohibit incentive-based payment arrangements that encourage inappropriate risks by providing compensation that is excessive or that could lead to material financial loss to the institution. A proposed rule relating to such incentive-based payment arrangements was issued by the SEC in 2016. Also pursuant to the Dodd-Frank Act, in 2015, the SEC proposed rules that would direct stock exchanges to require listed companies to implement clawback policies to recover incentive-based compensation from current or former executive officers in the event of certain financial restatements and would also require companies to disclose their clawback policies and their actions under those policies. Huntington continues to evaluate the proposed rules, both of which are subject to further rulemaking procedures.

Cybersecurity

The GLBA requires financial institutions to implement a comprehensive information security program that includes administrative, technical, and physical safeguards to ensure the security and confidentiality of customer records and information.

The CISA is intended to improve cybersecurity in the United States by enhanced sharing of information about security threats among the U.S. government and private sector entities, including financial institutions. The CISA also authorizes companies to monitor their own systems notwithstanding any other provision of law and allows companies to carry out defensive measures on their own systems from cyber-attacks. The law includes liability protections for companies that share cyber threat information with third parties so long as such sharing activity is conducted in accordance with CISA.

In October 2016, the federal bank regulatory agencies issued an ANPR regarding enhanced cyber risk management standards which would apply to a wide range of large financial institutions and their third-party service providers, including us and the Bank. The proposed rules would expand existing cybersecurity regulations and guidance to focus on cyber risk governance and management, management of internal and external dependencies, and incident response, cyber resilience, and situational awareness. In addition, the proposal contemplates more stringent standards for institutions with systems that are critical to the financial sector. The Federal Reserve announced in May 2019 that it would revisit the ANPR in the future.

In addition, in November 2021, the Federal Reserve, OCC and FDIC finalized a rule that, among other things, requires a banking organization to notify its primary federal regulators within 36 hours after identifying a “computer-security incident” that the banking organization believes in good faith could materially disrupt, degrade or impair its business or operations in a manner that would, among other things, jeopardize the viability of its operations, result in customers being unable to access their deposit and other accounts, result in a material loss of revenue, profit or franchise value, or pose a threat to the financial stability of the United States.

Community Reinvestment Act

The CRA is intended to encourage banks to help meet the credit needs of their service areas, including low- and moderate-income neighborhoods, consistent with safe and soundness practices. The relevant federal bank regulatory agency, the OCC in the Bank’s case, examines each bank and assigns it a public CRA rating. A bank’s record of fair lending compliance is part of the resulting CRA examination report.

The CRA requires the relevant federal bank regulatory agency to consider a bank’s CRA assessment when considering the bank’s application to conduct certain mergers or acquisitions or to open or relocate a branch office. The Federal Reserve also must consider the CRA record of each subsidiary bank of a BHC in connection with any acquisition or merger application filed by the BHC. An unsatisfactory CRA record could substantially delay or result in the denial of an approval or application by Huntington or the Bank. The Bank received a CRA rating of “Outstanding” in its most recent examination.

In May 2020, the OCC finalized amendments to its CRA rules, which would have applied to national banks, including the Bank, but in December 2021, the OCC rescinded those amendments and reinstated the CRA rules that have historically applied to national banks.

The OCC has also issued a joint statement with the other federal banking agencies, the FDIC and Federal Reserve, stating that they are committed to working together jointly to modernize the CRA rules.

Debit Interchange Fees

We are subject to a statutory requirement that interchange fees for electronic debit transactions that are paid to or charged by payment card issuers, including the Bank, be reasonable and proportional to the cost incurred by the issuer. Interchange fees for electronic debit transactions are limited to 21 cents plus 0.05% of the transaction, plus an additional one cent per transaction fraud adjustment. These fees impose requirements regarding routing and exclusivity of electronic debit transactions, and generally require that debit cards be usable in at least two unaffiliated networks.

Consumer Protection Regulation and Supervision

We are subject to supervision and regulation by the CFPB with respect to federal consumer protection laws. We are also subject to certain state consumer protection laws, and under the Dodd-Frank Act, state attorneys general and other state officials are empowered to enforce certain federal consumer protection laws and regulations. State authorities have increased their focus on and enforcement of consumer protection rules. These federal and state consumer protection laws apply to a broad range of our activities and to various aspects of our business and include laws relating to interest rates, fair lending, disclosures of credit terms and estimated transaction costs to consumer borrowers, debt collection practices, the use of and the provision of information to consumer reporting agencies, and the prohibition of unfair, deceptive, or abusive acts or practices in connection with the offer, sale, or provision of consumer financial products and services.

The CFPB has promulgated many mortgage-related final rules since it was established under the Dodd-Frank Act, including rules related to the ability to repay and qualified mortgage standards, mortgage servicing standards, loan originator compensation standards, high-cost mortgage requirements, HMDA requirements, and appraisal and escrow standards for higher priced mortgages. The mortgage-related final rules issued by the CFPB have materially restructured the origination, servicing, and securitization of residential mortgages in the United States. These rules have impacted, and will continue to impact, the business practices of mortgage lenders, including the Company.

In January 2021, the OCC released a final rule that would require certain OCC-supervised banks to provide access to services, capital, and credit based on their risk assessment of individual customers, rather than broad-based decisions affecting whole categories or classes of customers, which includes requiring banks to make each financial service they offer available to all persons in the geographic market served by them on proportionally equal terms. The rule was scheduled to take effect on April 1, 2021, but the OCC has delayed the effective date indefinitely. However, the OCC announced that the next confirmed Comptroller of the Currency will review the final rule, and its future remains uncertain.

Available Information

We are subject to the informational requirements of the Exchange Act and, in accordance with the Exchange Act, we file annual, quarterly, and current reports, proxy statements, and other information with the SEC. The SEC maintains an Internet web site that contains reports, proxy statements, and other information about issuers, like us, who file electronically with the SEC. The address of the site is <http://www.sec.gov>. The reports and other information, including any related amendments, filed by us with, or furnished by us to, the SEC are also available free of charge at our Internet web site as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The address of the site is <http://www.huntington.com>. Except as specifically incorporated by reference into this Annual Report on Form 10-K, information on those web sites is not part of this report. You also should be able to inspect reports, proxy statements, and other information about us at the offices of the Nasdaq National Market at 33 Whitehall Street, New York, New York 10004.

Item 1A: Risk Factors

Risk Factor Summary

Our business is subject to numerous risks and uncertainties. While there is no assurance that any lists of risks and uncertainties of risk factors is complete, below is a summary of risk factors which impact our business. This summary should be read in conjunction with the “Detailed Discussion of Risk Pillars and Risk Factors” immediately following this summary on pages [27](#) through [43](#) in this 2021 Annual Report on Form 10-K. Risks which impact our business include but are not limited to:

COVID-19 Related Risk:

- The COVID-19 pandemic is adversely affecting, and will likely continue to adversely affect, our business, financial condition, liquidity, and results of operations.

Credit Risks:

- Our ACL level may prove to not be adequate or be negatively affected by credit risk exposures which could adversely affect our income and capital.

Market Risks:

- Changes in interest rates could reduce our net interest income, reduce transactional income, and negatively impact the value of our loans, securities, and other assets. This could have an adverse impact on our cash flows, financial condition, results of operations, and capital.
- Uncertainty about the future of LIBOR may adversely affect our business.

Liquidity Risks:

- Changes in either Huntington’s financial condition or in the general banking industry could result in a loss of depositor confidence.
- If we lose access to capital markets, we may not be able to meet the cash flow requirements of our depositors, creditors, and borrowers, or have the operating cash needed to fund corporate expansion and other corporate activities.

Operational Risks:

- Our operational or security systems or infrastructure, or those of third parties, could fail or be breached, which could disrupt our business and adversely impact our operations, liquidity, and financial condition, as well as cause legal or reputational harm.
- We face security risks, including denial of service attacks, hacking, social engineering attacks targeting our colleagues and customers, malware intrusion or data corruption attempts, and identity theft that could result in the disclosure of confidential information, adversely affect our business or reputation, and create significant legal and financial exposure.
- Failure to maintain effective internal controls over financial reporting could impair our ability to accurately and timely report our financial results or prevent fraud, resulting in loss of investor confidence and adversely affecting our business and our stock price.

Compliance Risks:

- We operate in a highly regulated industry, and the laws and regulations that govern our operations, corporate governance, executive compensation and financial accounting, or reporting, including changes in them, or our failure to comply with them, may adversely affect us.
- Legislative and regulatory actions taken now or in the future that impact the financial industry may materially adversely affect us by increasing our costs, adding complexity in doing business, impeding the efficiency of our internal business processes, negatively impacting the recoverability of certain of our recorded assets, requiring us to increase our regulatory capital, limiting our ability to pursue business opportunities, and otherwise resulting in a material adverse impact on our financial condition, results of operation, liquidity, or stock price.

- Noncompliance with the Bank Secrecy Act and other anti-money laundering statutes and regulations could cause us material financial loss

Strategic Risks:

- We operate in a highly competitive industry which depends on our ability to successfully execute our strategic plan and adapt our products and services to evolving industry standards and consumer preferences.
- Bank regulations regarding capital and liquidity, including the CCAR assessment process and the U.S. Basel III capital and liquidity standards, could require higher levels of capital and liquidity. Among other things, these regulations could impact our ability to pay common stock dividends, repurchase common stock, attract cost-effective sources of deposits, or require the retention of higher amounts of low yielding securities.

Risks related to the TCF Merger:

- We expect to continue to incur substantial costs related to the Merger.
- The integration of Huntington and TCF may be more difficult, costly or time consuming than expected and Huntington may fail to realize the anticipated benefits of the Merger.
- Our future results may suffer if we do not effectively manage our expanded operations.

Detailed Discussion of Risk Pillars and Risk Factors

Huntington has formalized a holistic risk governance framework in alignment with the size, complexity, and profile of the Company. We, like other financial companies, are subject to a number of risks that may adversely affect our financial condition or results of operations, many of which are outside of our direct control. Our framework is approved by the ROC of Huntington's Board of Directors (the Board). Key components include establishing our risk appetite, lines of defense and risk pillars, governance and committee oversight and limit setting and escalation processes. Huntington classifies/aggregates risk into seven risk pillars. Huntington recognizes that risks can be interrelated or embedded within each other, and therefore managing across risk pillars is a key component of the framework. The following defines the Company's risk pillars.

- **Credit risk**, which is the risk of loss due to loan and lease customers or other counterparties not being able to meet their financial obligations under agreed upon terms;
- **Market risk**, which occurs when fluctuations in interest rates impact earnings and capital. Financial impacts are realized through changes in the interest rates of balance sheet assets and liabilities (net interest margin) or directly through valuation changes of capitalized MSR and/or trading assets (noninterest income);
- **Liquidity risk**, which is the risk to current or anticipated earnings or capital arising from an inability to meet obligations when they come due. Liquidity risk includes the inability to access funding sources or manage fluctuations in funding levels. Liquidity risk also results from the failure to recognize or address changes in market conditions that affect our ability to liquidate assets quickly and with minimal loss in value;
- **Operational risk**, which is the risk of loss arising from inadequate or failed internal processes or systems, including information security breaches or cyberattacks, human errors or misconduct, or adverse external events. Operational losses result from internal fraud, external fraud, inadequate or inappropriate employment practices and workplace safety, failure to meet professional obligations involving customers, products, and business practices, damage to physical assets, business disruption and systems failures, and failures in execution, delivery, and process management;
- **Compliance risk**, which exposes us to money penalties, enforcement actions, or other sanctions as a result of non-conformance with laws, rules, and regulations that apply to the financial services industry;
- **Strategic risk**, which is defined as risk to current or anticipated earnings, capital, or enterprise value arising from adverse business decisions, improper implementation of business decisions or lack of responsiveness to industry / market changes; and
- **Reputation risk**, which is the risk that negative publicity regarding an institution's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions.

In addition to the other information included or incorporated by reference into this report, readers should carefully consider that the following important factors, among others, could negatively impact our business, future results of operations, and future cash flows materially.

COVID-19 related Risk:

The COVID-19 pandemic is adversely affecting, and will likely continue to adversely affect, our business, financial condition, liquidity, and results of operations.

Although U.S. and global economies have begun to recover from the COVID-19 pandemic as many health and safety restrictions have been lifted and vaccine distribution has increased, certain adverse consequences of the pandemic continue to impact the macroeconomic environment and may persist for some time, including labor shortages and disruptions of global supply chains. The growth in economic activity and demand for goods and services, alongside labor shortages and supply chain complications, has also contributed to rising inflationary pressures. The pandemic has caused us, and could continue to cause us, to recognize credit losses in our loan portfolios and increases in our allowance for credit losses should the effects of the pandemic continue for an extended period of time or worsen. Furthermore, the pandemic could cause us to recognize impairment of our goodwill and our financial assets. Sustained adverse effects may also increase our cost of capital, prevent us from satisfying our minimum regulatory capital ratios and other supervisory requirements, or result in downgrades in our credit ratings. The extent to which the COVID-19 pandemic impacts our business, financial condition, liquidity, and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including the rate and distribution and administration of vaccines globally, the severity and duration of any resurgence of COVID-19 variants, the continued effectiveness of our business continuity plan, the direct and indirect impact of the pandemic on our customers, colleagues, counterparties and service providers, and actions taken by governmental authorities and other third parties in response to the pandemic.

Governmental authorities have taken significant measures to provide economic assistance to individual households and businesses, stabilize the markets, and support economic growth. These measures may not be sufficient to fully mitigate the negative impact of the pandemic. Additionally, some measures, such as a suspension of consumer and commercial loan payments, may have a negative impact on our business, financial condition, liquidity, and results of operations. We also expect that the temporary reduction of interest rates to near zero will, over the course of 2022, be reversed, with the Federal Reserve now signaling its concerns with respect to inflation and announcing that it will begin to taper its purchases of mortgages and other bonds. We also face an increased risk of litigation and governmental and regulatory scrutiny as a result of the effects of the pandemic on market and economic conditions and actions governmental authorities take in response to those conditions.

The COVID-19 pandemic has resulted in heightened operational risks. Many of our colleagues have been working remotely, and increased levels of remote access create additional cybersecurity risk and opportunities for cybercriminals to exploit vulnerabilities. Cybercriminals have increased their attempts to compromise business emails, including an increase in phishing attempts, and fraudulent vendors or other parties may view the pandemic as an opportunity to prey upon consumers and businesses during this time. The increase in online and remote banking activities may also increase the risk of fraud in certain instances.

The length of the pandemic and the effectiveness of the measures being put in place to address it are unknown. Until the effects of the pandemic subside, there is a risk of reduced revenues in our businesses and increased customer defaults. Furthermore, the U.S. economy experienced a temporary recession as a result of the pandemic, and our business could be materially and adversely affected by another recession should the effects of the pandemic continue for a period of time or worsen. To the extent the pandemic adversely affects our business, financial condition, liquidity, or results of operations, it also has the effect of heightening many of the other risks described in this 2021 Annual Report on Form 10-K.

We have also participated as a lender in certain government programs designed to provide economic relief in response to the pandemic. We are participating in the SBA's PPP as an eligible lender, and while these loans to small business clients benefit from a government guaranty, many of these businesses may face difficulties even after being granted such a loan. We also participated in the Federal Reserve's Main Street Lending Program. As a result of participating in these programs, we face increased risks, including credit, fraud risk and litigation.

Credit Risks:

Our ACL level may prove to not be adequate or be negatively affected by credit risk exposures which could adversely affect our net income and capital.

Our business depends on the creditworthiness of our customers. Our ACL of \$2.1 billion at December 31, 2021, represented management's estimate of the current expected losses in our loan and lease portfolio (ALLL) as well as our unfunded lending commitments (AULC). We regularly review our ACL for appropriateness. In doing so, we consider probability of default, loss given default and exposure at default depending on economic parameters for each month of the remaining contractual term of the credit exposure. The economic parameters are developed using available information relating to past events, current conditions, and reasonable and supportable forecasts. There is no certainty that our ACL will be appropriate over time to cover lifetime losses of the portfolio because of unanticipated adverse changes in the economy, market conditions, or events adversely affecting specific customers, industries, or markets. If the credit quality of our customer base materially decreases, if the risk profile of a market, industry, or group of customers changes materially, or if the ACL is not appropriate, our net income and capital could be materially adversely affected, which could have a material adverse effect on our financial condition and results of operations.

In addition, regulatory review of risk ratings and loan and lease losses may impact the level of the ACL and could have a material adverse effect on our financial condition and results of operations.

Weakness in economic conditions could adversely affect our business.

Our performance could be negatively affected to the extent there is deterioration in business and economic conditions, including persistent inflation, supply chain issues or labor shortages, which have direct or indirect material adverse impacts on us, our customers, and our counterparties. These conditions could result in one or more of the following:

- A decrease in the demand for loans and other products and services offered by us;
- A decrease in customer savings generally and in the demand for savings and investment products offered by us; and
- An increase in the number of customers and counterparties who become delinquent, file for protection under bankruptcy laws, or default on their loans or other obligations to us.

An increase in the number of delinquencies, bankruptcies, or defaults could result in a higher level of NPAs, NCOs, provision for credit losses, and valuation adjustments on loans held for sale. The markets we serve are dependent on industrial and manufacturing businesses and, thus, are particularly vulnerable to adverse changes in economic conditions affecting these sectors.

Market Risks:

Changes in interest rates could reduce our net interest income, reduce transactional income, and negatively impact the value of our loans, securities, and other assets. This could have an adverse impact on our cash flows, financial condition, results of operations, and capital.

Our results of operations depend substantially on net interest income, which is the difference between interest earned on interest earning assets (such as investments and loans) and interest paid on interest bearing liabilities (such as deposits and borrowings). Interest rates are highly sensitive to many factors, including governmental monetary policies, inflation, and domestic and international economic and political conditions. Conditions such as inflation, deflation, recession, unemployment, money supply, and other factors beyond our control may also affect interest rates. In addition, decisions by the Federal Reserve to increase or reduce the size of its balance sheet or to engage in tapering its purchase of assets may also affect interest rates. If our interest earning assets mature or reprice faster than interest bearing liabilities in a declining interest rate environment, net interest income could be materially adversely impacted. Likewise, if interest bearing liabilities mature or reprice more quickly than interest earning assets in a rising interest rate environment, net interest income could be adversely impacted.

Changes in interest rates can affect the value of loans, securities, assets under management, and other assets, including mortgage servicing rights. An increase in interest rates that adversely affects the ability of borrowers to pay the principal or interest on loans and leases may lead to an increase in NPAs and a reduction of income recognized, which could have a material adverse effect on our results of operations and cash flows. When we place a loan on nonaccrual status, we reverse any accrued but unpaid interest receivable, which decreases interest income. However, we continue to incur interest expense as a cost of funding NALs without any corresponding interest income. In addition, transactional income, including trust income, brokerage income, and gain on sales of loans can vary significantly from period-to-period based on a number of factors, including the interest rate environment. A decline in interest rates along with a flattening yield curve limits our ability to reprice deposits given the current historically low level of interest rates and could result in declining net interest margins if longer duration assets reprice faster than deposits.

Rising interest rates reduce the value of our fixed-rate securities. Any unrealized loss from these portfolios impacts OCI, shareholders' equity, and the Tangible Common Equity ratio. Any realized loss from these portfolios impacts regulatory capital ratios. In a rising interest rate environment, pension and other post-retirement obligations somewhat mitigate negative OCI impacts from securities and financial instruments. For more information, refer to "Market Risk" of the MD&A.

Certain investment securities, notably mortgage-backed securities, are sensitive to rising and falling rates. Generally, when rates rise, prepayments of principal and interest will decrease and the duration of mortgage-backed securities will increase. Conversely, when rates fall, prepayments of principal and interest will increase and the duration of mortgage-backed securities will decrease. In either case, interest rates have a significant impact on the value of mortgage-backed securities.

MSR fair values are sensitive to movements in interest rates, as expected future net servicing income depends on the projected outstanding principal balances of the underlying loans, which can be reduced by prepayments. Prepayments usually increase when mortgage interest rates decline and decrease when mortgage interest rates rise.

In response to the economic consequences of the COVID-19 pandemic, the Federal Reserve lowered its target for the federal funds rate to a range of 0% to 0.25%. While interest rates remain low, the Federal Reserve is expected to begin raising interest rates during 2022. We cannot predict the nature or timing of future changes in monetary policies in response to the outbreak or the precise effects that they may have on our activities and financial results.

In addition to volatility associated with interest rates, the Company also has exposure to equity markets related to the investments within the benefit plans and other income from client-based transactions.

Industry competition may have an adverse effect on our success.

Our profitability depends on our ability to compete successfully. We operate in a highly competitive environment, and we expect competition to intensify. Certain of our competitors are larger and have more resources than we do, enabling them to be more aggressive than us in competing for loans and deposits. In our market areas, we face competition from other banks and financial service companies that offer similar services. Some of our non-bank competitors are not subject to the same extensive regulations we are and, therefore, may have greater flexibility in competing for business. Technological advances have made it possible for our non-bank competitors to offer products and services that traditionally were banking products and for financial institutions and other companies to provide electronic and internet-based financial solutions, including mobile payments, online deposit accounts, electronic payment processing, and marketplace lending, without having a physical presence where their customers are located. Legislative or regulatory changes also could lead to increased competition in the financial services sector. For example, the Economic Growth Act and the Tailoring Rules reduce the regulatory burden of certain large BHCs and raise the asset thresholds at which more onerous requirements apply, which could cause certain large BHCs to become more competitive or to more aggressively pursue expansion. Our ability to compete successfully depends on a number of factors, including customer convenience, quality of service by investing in new products and services, electronic platforms, personal contacts, pricing, and range of products. If we are unable to successfully compete for new customers and retain our current customers, our business, financial condition, or results of operations may be adversely affected. In particular, if we experience an outflow of deposits as a result of our customers seeking investments with higher yields or greater financial stability, or a desire to do business with our competitors, we may be forced to rely more heavily on borrowings and other sources of funding to operate our business and meet withdrawal demands, thereby adversely affecting our net interest margin. For more information, refer to “Competition” section of Item 1: Business.

Uncertainty about the future of LIBOR may adversely affect our business.

Central banks around the world, including the Federal Reserve, have commissioned committees and working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks. The publication of most LIBOR rates ceased as of the end of December 2021. While certain U.S. dollar LIBOR tenors are expected to continue to be published until June 30, 2023, the U.S. banking agencies have encouraged banks to cease entering into new contracts referencing LIBOR no later than December 31, 2021. A transition away from the widespread use of LIBOR to alternative rates and other potential interest rate benchmark reforms has begun and will continue over the course of the next few years. These reforms may cause such rates to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted.

While there is no consensus on what rate or rates may become accepted alternatives to LIBOR, a group of market participants convened by the Federal Reserve, the Alternative Reference Rate Committee (ARRC), has selected SOFR as its recommended alternative to LIBOR. The Federal Reserve Bank of New York started to publish SOFR in April 2018. SOFR is a broad measure of the cost of overnight borrowings collateralized by Treasury securities that was selected by the Alternative Reference Rate Committee due to the depth and robustness of the U.S. Treasury repurchase market. In January of 2020, Huntington was added as an ARRC member.

The market transition away from LIBOR to an alternative reference rate, such as SOFR, is complex and could have a range of adverse effects on our business, financial condition and results of operations. In particular, any such transition could:

- Adversely affect the interest rates paid or received on, the revenue and expenses associated with or the value of Huntington’s LIBOR-based assets and liabilities, which include certain variable rate loans, Huntington’s Series B preferred stock, certain of Huntington’s junior subordinated debentures, certain of the Bank’s senior notes and certain other securities or financial arrangements;
- Adversely affect the interest rates paid or received on, the revenue and expenses associated with or the value of other securities or financial arrangements, given LIBOR’s role in determining market interest rates globally;
- Prompt inquiries or other actions from regulators in respect of Huntington’s preparation and readiness for the replacement of LIBOR with an alternative reference rate; and

- Result in disputes, litigation or other actions with counterparties regarding the interpretation and enforceability of certain fallback language in LIBOR-based contracts and securities.

Huntington implemented a LIBOR transition plan in 2018. As of December 31, 2021, the company ceased issuance of new LIBOR loans. Alternative reference rates at this time are predominantly SOFR based. Systems, products and analytics have been effectively transitioned away from LIBOR and are utilizing alternative reference rates. Remaining LIBOR transition project activities include remediation of remaining LIBOR products, including recently acquired products from TCF by June of 2023. We continue to assess the impact on our customers, with any needed LIBOR exceptions escalated to ELT for approval.

The manner and impact of the transition from LIBOR to an alternative reference rate, as well as the effect of these developments on our funding costs, loan and investment and trading securities portfolios, asset-liability management, and business, is uncertain.

Liquidity Risks:

Changes in either Huntington's financial condition or in the general banking industry could result in a loss of depositor confidence.

Liquidity is the ability to meet cash flow needs on a timely basis at a reasonable cost. The Bank uses its liquidity to extend credit and to repay liabilities as they become due or as demanded by customers.

Our primary source of liquidity is our large supply of deposits from consumer and commercial customers. The continued availability of this supply depends on customer willingness to maintain deposit balances with banks in general and us in particular. The availability of deposits can also be impacted by regulatory changes (e.g., changes in FDIC insurance, liquidity requirements, etc.), changes in the financial condition of Huntington, other banks, or the banking industry in general, changes in the interest rates our competitors pay on their deposits, and other events which can impact the perceived safety or economic benefits of bank deposits. While we make significant efforts to consider and plan for hypothetical disruptions in our deposit funding, market related, geopolitical, or other events could impact the liquidity derived from deposits.

We are a holding company and depend on dividends by our subsidiaries for most of our funds.

Huntington is an entity separate and distinct from the Bank. The Bank conducts most of our operations, and Huntington depends upon dividends from the Bank to service Huntington's debt and to pay dividends to Huntington's shareholders. The availability of dividends from the Bank is limited by various statutes and regulations. It is possible, depending upon the financial condition including liquidity and capital adequacy of the Bank and other factors, that the OCC could limit the payment of dividends or other payments to Huntington by the Bank. In addition, the payment of dividends by our other subsidiaries is also subject to the laws of the subsidiary's state of incorporation, and regulatory capital and liquidity requirements applicable to such subsidiaries. In the event that the Bank was unable to pay dividends to us, we in turn would likely have to reduce or stop paying dividends on our Preferred and Common Stock. Our failure to pay dividends on our Preferred and Common Stock could have a material adverse effect on the market price of our Preferred and Common Stock. Additional information regarding dividend restrictions is provided in Item 1: Business - [Regulatory Matters](#).

If we lose access to capital markets, we may not be able to meet the cash flow requirements of our depositors, creditors, and borrowers, or have the operating cash needed to fund corporate expansion and other corporate activities.

Wholesale funding sources can include securitization, federal funds purchased, securities sold under repurchase agreements, non-core deposits, and long-term debt. The Bank is also a member of the FHLB, which provides members access to funding through advances collateralized with mortgage-related assets. We maintain a portfolio of highly-rated, marketable securities that is available as a source of liquidity.

Capital markets disruptions can directly impact the liquidity of Huntington and the Bank. The inability to access capital markets funding sources as needed could adversely impact our financial condition, results of operations, cash flows, and level of regulatory-qualifying capital. We may, from time-to-time, consider using our existing liquidity position to opportunistically retire outstanding securities in privately negotiated or open market transactions.

A reduction in our credit rating could adversely affect our access to capital and could increase our cost of funds.

The credit rating agencies regularly evaluate Huntington and the Bank, and credit ratings are based on a number of factors, including our financial strength and ability to generate earnings, as well as factors not entirely within our control, including conditions affecting the financial services industry, the economy, and changes in rating methodologies. There can be no assurance that we will maintain our current credit ratings. A downgrade of the credit ratings of Huntington or the Bank could adversely affect our access to liquidity and capital, and could significantly increase our cost of funds, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing to lend to us or purchase our securities. This could affect our growth, profitability, and financial condition, including liquidity.

Operational Risks:

Our operational or security systems or infrastructure, or those of third parties, could fail or be breached, which could disrupt our business and adversely impact our operations, liquidity, and financial condition, as well as cause legal or reputational harm.

The potential for operational risk exposure exists throughout our business and, as a result of our interactions with, and reliance on, third parties, is not limited to our own internal operational functions. Our operational and security systems and infrastructure, including our computer systems, data management, and internal processes, as well as those of third parties, are integral to our performance. We rely on our employees and third parties in our day-to-day and ongoing operations, who may, as a result of human error, misconduct, malfeasance, failure, or breach of our or of third-party systems or infrastructure, expose us to risk. For example, our ability to conduct business may be adversely affected by any significant disruptions to us or to third parties with whom we interact or upon whom we rely. Our financial, accounting, data processing, backup, or other operating or security systems and infrastructure may fail to operate properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control, which could adversely affect our ability to process transactions or provide services. Such events may include: sudden increases in customer transaction volume; electrical, telecommunications, or other major physical infrastructure outages; disease pandemics; cyber-attacks; and events arising from local or larger scale political or social matters, including wars and terrorist attacks. Additional events beyond our control that could impact our business directly or indirectly include natural disasters such as earthquakes and weather events, including tornadoes, hurricanes and floods. Neither the occurrence nor the potential impact of these events can be predicted, and the frequency and severity of weather events may be impacted by climate changes. In addition, we may need to take our systems off-line if they become infected with malware or a computer virus or as a result of another form of cyber-attack. In the event that backup systems are utilized, they may not process data as quickly as our primary systems and some data might not have been saved to backup systems, potentially resulting in a temporary or permanent loss of such data. In addition, our ability to implement backup systems and other safeguards with respect to third-party systems is more limited than with respect to our own systems. We frequently update our systems to support our operations and growth and to remain compliant with applicable laws, rules, and regulations. This updating entails significant costs and creates risks associated with implementing new systems and integrating them with existing ones, including business interruptions. Implementation and testing of controls related to our computer systems, security monitoring, and retaining and training personnel required to operate our systems also entail significant costs. Operational risk exposures could adversely impact our operations, liquidity, and financial condition, as well as cause reputational harm. In addition, we may not have adequate insurance coverage to compensate for losses from a major interruption.

We face security risks, including denial of service attacks, hacking, social engineering attacks targeting our colleagues and customers, malware intrusion or data corruption attempts, and identity theft that could result in the disclosure of confidential information, adversely affect our business or reputation, and create significant legal and financial exposure.

Our computer systems and network infrastructure and those of third parties, on which we are highly dependent, are subject to security risks and could be susceptible to cyber-attacks, such as denial of service attacks, hacking, terrorist activities, or identity theft. Our business relies on the secure processing, transmission, storage, and retrieval of confidential, proprietary, and other information in our computer and data management systems and networks, and in the computer and data management systems and networks of third parties. In addition, to access our network, products, and services, our customers and other third parties may use personal mobile devices or computing devices that are outside of our network environment and are subject to their own cybersecurity risks.

We, our customers, regulators, and other third parties, including other financial services institutions and companies engaged in data processing, have been subject to, and are likely to continue to be the target of, cyber-attacks. These cyber-attacks include computer viruses, malicious or destructive code, phishing attacks, denial of service or information, ransomware, improper access by employees or vendors, attacks on personal email of employees, ransom demands to not expose security vulnerabilities in our systems or the systems of third parties or other security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss, or destruction of confidential, proprietary, and other information of ours, our employees, our customers, or of third parties, damage our systems or otherwise materially disrupt our or our customers' or other third parties' network access or business operations. As cyber-threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities or incidents. Despite efforts to ensure the integrity of our systems and implement controls, processes, policies, and other protective measures, we may not be able to anticipate all security breaches, nor may we be able to implement sufficient preventive measures against such security breaches, which may result in material losses or consequences for us.

Cybersecurity risks for banking organizations have significantly increased in recent years in part because of the proliferation of new technologies, and the use of the internet and telecommunications technologies to conduct financial transactions. For example, cybersecurity risks may increase in the future as we continue to increase our mobile-payment and other internet-based product offerings and expand our internal usage of web-based products and applications. In addition, cybersecurity risks have significantly increased in recent years in part due to the increased sophistication and activities of organized crime affiliates, terrorist organizations, hostile foreign governments, disgruntled employees or vendors, activists, and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise. Due to increasing geopolitical tensions, nation state cyber-attacks and ransomware are both increasing in sophistication and prevalence. Targeted social engineering and email attacks (i.e. "spear phishing" attacks) are becoming more sophisticated and are extremely difficult to prevent. In such an attack, an attacker will attempt to fraudulently induce colleagues, customers, or other users of our systems to disclose sensitive information in order to gain access to our data or that of our clients. Persistent attackers may succeed in penetrating defenses given enough resources, time, and motive. The techniques used by cyber criminals change frequently, may not be recognized until launched, and may not be recognized until well after a breach has occurred. The speed at which new vulnerabilities are discovered and exploited often before security patches are published continues to rise. Remote work further increases the risk that we may experience cyber incidents as a result of our employees, vendors, and other third parties with which we interact working remotely on less secure systems and environments.

The risk of a security breach caused by a cyber-attack at a vendor or by unauthorized vendor access has also increased in recent years. Additionally, the existence of cyber-attacks or security breaches at third-party vendors with access to our data may not be disclosed to us in a timely manner. Further, our ability to monitor our vendors' cybersecurity practices is limited. Although we generally have agreements relating to cybersecurity and data privacy in place with our vendors, we cannot guarantee that such agreements will prevent a cyber-incident impacting our systems or information or enable us to obtain adequate or any reimbursement from our service providers in the event we should suffer any such incidents. Due to applicable laws and regulations or contractual obligations, we may be held responsible for cyber-incidents attributed to our vendors as they relate to the information we share with them.

We also face indirect technology, cybersecurity, and operational risks relating to the customers, clients, and other third parties with whom we do business or upon whom we rely to facilitate or enable our business activities, including, for example, financial counterparties, regulators, and providers of critical infrastructure such as internet access and electrical power. As a result of increasing consolidation, interdependence, and complexity of financial entities and technology systems, a technology failure, cyber-attack, or other information or security breach that significantly degrades, deletes, or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including us. This consolidation, interconnectivity, and complexity increases the risk of operational failure. Any third-party technology failure, cyber-attack, or other information or security breach, termination, or constraint could, among other things, adversely affect our ability to effect transactions, service our clients, manage our exposure to risk, or expand our business.

Cyber-attacks or other information or security breaches, whether directed at us or third parties, may result in a material loss or have material consequences. Furthermore, the public perception that a cyber-attack on our systems has been successful, whether or not this perception is correct, may damage our reputation with customers and third parties with whom we do business. Hacking of personal information and identity theft risks, in particular, could cause serious reputational harm. A successful penetration or circumvention of system security could cause us serious negative consequences, including our loss of customers and business opportunities, costs associated with maintaining business relationships after an attack or breach; significant business disruption to our operations and business, misappropriation, exposure, or destruction of our confidential information, intellectual property, funds, and/or those of our customers; or damage to our or our customers' and/or third parties' computers or systems, and could result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, and could adversely impact our results of operations, liquidity and financial condition. In addition, we may not have adequate insurance coverage to compensate for losses from a cybersecurity event.

Cybersecurity and data privacy are areas of heightened legislative and regulatory focus.

As cybersecurity and data privacy risks for banking organizations and the broader financial system have significantly increased in recent years, cybersecurity and data privacy issues have become the subject of increasing legislative and regulatory focus. The federal bank regulatory agencies have proposed regulations that would enhance cyber risk management standards, which would apply to a wide range of large financial institutions and their third-party service providers, including us and the Bank, and would focus on cyber risk governance and management, management of internal and external dependencies, and incident response, cyber resilience, and situational awareness. Several states have also proposed or adopted cybersecurity legislation and regulations, which require, among other things, notification to affected individuals when there has been a security breach of their personal data. For more information regarding cybersecurity and data privacy, refer to Item 1: Business - "[Regulatory Matters](#)".

We receive, maintain, and store non-public personal information of our customers and counterparties, including, but not limited to, personally identifiable information and personal financial information. The sharing, use, disclosure, and protection of these types of information are governed by federal and state law. Both personally identifiable information and personal financial information are increasingly subject to legislation and regulation, the intent of which is to protect the privacy of personal information and personal financial information that is collected and handled. For example, in June of 2018, the Governor of California signed into law the CCPA. The CCPA, which became effective on January 1, 2020, applies to for-profit businesses that conduct business in California and meet certain revenue or data collection thresholds. Numerous other states have also enacted or are in the process of enacting state-level privacy, data protection and/or data security laws and regulations. For more information regarding data privacy laws and regulations, refer to Item 1: Business - "[Regulatory Matters](#)".

Further, we make public statements about our use, collection, disclosure and other processing of personal information through our privacy policies, information provided on our website and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other statements that provide promises and assurances about privacy, data protection and data security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices.

We may become subject to new legislation or regulation concerning cybersecurity or the privacy of personally identifiable information and personal financial information or of any other information we may store or maintain. We could be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified such that we are required to alter our systems or require changes to our business practices or privacy policies. If cybersecurity, data privacy, data protection, data transfer, or data retention laws are implemented, interpreted, or applied in a manner inconsistent with our current practices, we may be subject to fines, litigation, or regulatory enforcement actions or ordered to change our business practices, policies, or systems in a manner that adversely impacts our operating results.

We face significant operational risks which could lead to financial loss, expensive litigation, and loss of confidence by our customers, regulators, and capital markets.

We are exposed to many types of operational risks, including the risk of fraud or theft by colleagues or outsiders, unauthorized transactions by colleagues or outsiders, operational errors by colleagues, business disruption, and system failures. Huntington executes against a significant number of controls, a large percent of which are manual and dependent on adequate execution by colleagues and third-party service providers. There is inherent risk that unknown single points of failure through the execution chain could give rise to material loss through inadvertent errors or malicious attack. These operational risks could lead to financial loss, expensive litigation, and loss of confidence by our customers, regulators, and the capital markets.

Moreover, negative public opinion can result from our actual or alleged conduct in any number of activities, including clients, products, and business practices; corporate governance; acquisitions; and from actions taken by government regulators and community organizations in response to those activities. Negative public opinion can adversely affect our ability to attract and retain customers and can also expose us to litigation and regulatory action.

Relative to acquisitions, we incur risks and challenges associated with the integration of employees, accounting systems, and technology platforms from acquired businesses and institutions in a timely and efficient manner, and we cannot guarantee that we will be successful in retaining existing customer relationships or achieving anticipated operating efficiencies expected from such acquisitions. Acquisitions may be subject to the receipt of approvals from certain governmental authorities, including the Federal Reserve, the OCC, and the United States Department of Justice, as well as the approval of our shareholders and the shareholders of companies that we seek to acquire. These approvals for acquisitions may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the acquisitions. Subject to requisite regulatory approvals, future business acquisitions may result in the issuance and payment of additional shares of stock, which would dilute current shareholders' ownership interests. Additionally, acquisitions may involve the payment of a premium over book and market values. Therefore, dilution of our tangible book value and net income per common share could occur in connection with any future transaction.

Failure to maintain effective internal controls over financial reporting could impair our ability to accurately and timely report our financial results or prevent fraud, resulting in loss of investor confidence and adversely affecting our business and our stock price.

Effective internal controls over financial reporting are necessary to provide reliable financial reports and prevent fraud. We are subject to regulation that focuses on effective internal controls and procedures. Such controls and procedures are modified, supplemented, and changed from time-to-time as necessitated by our growth and in reaction to external events and developments. Any failure to maintain an effective internal control environment could impact our ability to report our financial results on an accurate and timely basis, which could result in regulatory actions, loss of investor confidence, and an adverse impact on our business and our stock price.

We rely on quantitative models to measure risks and to estimate certain financial values.

Quantitative models may be used to help manage certain aspects of our business and to assist with certain business decisions, including estimating expected lifetime credit losses, measuring the fair value of financial instruments when reliable market prices are unavailable, estimating the effects of changing interest rates and other market measures on our financial condition and results of operations, managing risk, and for capital planning purposes (including during the CCAR capital planning and capital adequacy process). Our measurement methodologies rely on many assumptions, historical analyses, and correlations. These assumptions may not capture or fully incorporate conditions leading to losses, particularly in times of market distress, and the historical correlations on which we rely may no longer be relevant. Additionally, as businesses and markets evolve, our measurements may not accurately reflect this evolution. Even if the underlying assumptions and historical correlations used in our models are adequate, our models may be deficient due to errors in computer code, inaccurate data, misuse of data, or the use of a model for a purpose outside the scope of the model's design.

All models have certain limitations. Reliance on models presents the risk that our business decisions based on information incorporated from models will be adversely affected due to incorrect, missing, or misleading information. In addition, our models may not capture or fully express the risks we face, may suggest that we have sufficient capitalization when we do not, or may lead us to misjudge the business and economic environment in which we will operate. If our models fail to produce reliable results on an ongoing basis, we may not make appropriate risk management, capital planning, or other business or financial decisions. Strategies that we employ to manage and govern the risks associated with our use of models may not be effective or fully reliable. Also, information that we provide to the public or regulators based on poorly designed models could be inaccurate or misleading.

Banking regulators continue to focus on the models used by banks and bank holding companies in their businesses. Some of our decisions that the regulators evaluate, including distributions to our shareholders, could be affected adversely due to their perception that the quality of the models used to generate the relevant information are insufficient.

We rely on third parties to provide key components of our business infrastructure.

We rely on third-party service providers to leverage subject matter expertise and industry best practice, provide enhanced products and services, and reduce costs. Although there are benefits in entering into third-party relationships with vendors and others, there are risks associated with such activities. When entering a third-party relationship, the risks associated with that activity are not passed to the third-party but remain our responsibility. The Technology Committee of the board of directors provides oversight related to the overall risk management process associated with third-party relationships. Management is accountable for the review and evaluation of all new and existing third-party relationships. Management is responsible for ensuring that adequate controls are in place to protect us and our customers from the risks associated with vendor relationships.

Increased risk could occur based on poor planning, oversight, control, and inferior performance or service on the part of the third-party, and may result in legal costs or loss of business. While we have implemented a vendor management program to actively manage the risks associated with the use of third-party service providers, any problems caused by third-party service providers could adversely affect our ability to deliver products and services to our customers and to conduct our business. Replacing a third-party service provider could also take a long period of time and result in increased expenses.

Changes in accounting policies, standards, and interpretations could affect how we report our financial condition and results of operations.

The FASB, regulatory agencies, and other bodies that establish accounting standards periodically change the financial accounting and reporting standards governing the preparation of our financial statements. Additionally, those bodies that establish and interpret the accounting standards (such as the FASB, SEC, and banking regulators) may change prior interpretations or positions on how these standards should be applied.

For further discussion, see Note 2 - "[Accounting Standards Update](#)" to the Consolidated Financial Statements.

Impairment of goodwill could require charges to earnings, which could result in a negative impact on our results of operations.

Our goodwill could become impaired in the future. If goodwill were to become impaired, it could limit the ability of the Bank to pay dividends to Huntington, adversely impacting Huntington liquidity and ability to pay dividends or repay debt. The most significant assumptions affecting our goodwill impairment evaluation are variables including the market price of our Common Stock, projections of earnings, the discount rates used in the income approach to fair value, and the control premium above our current stock price that an acquirer would pay to obtain control of us. We are required to test goodwill for impairment at least annually or when impairment indicators are present. If an impairment determination is made in a future reporting period, our earnings and book value of goodwill will be reduced by the amount of the impairment. If an impairment loss is recorded, it will have little or no impact on the tangible book value of our Common Stock, or our regulatory capital levels, but such an impairment loss could significantly reduce the Bank's earnings and thereby restrict the Bank's ability to make dividend payments to us without prior regulatory approval, because Federal Reserve policy states the bank holding company dividends should be paid from current earnings. At December 31, 2021, the book value of our goodwill was \$5.3 billion, substantially all of which was recorded at the Bank. Any such write down of goodwill or other acquisition related intangibles will reduce Huntington's earnings, as well.

Climate change manifesting as physical or transition risks could adversely affect our operations, businesses and customers.

There is an increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include discrete events, such as flooding and wildfires, and longer-term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. Under medium or longer-term scenarios, such events, if uninterrupted or unaddressed, could disrupt our operations or those of our customers or third parties on which we rely, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility. Additionally, transitioning to a low-carbon economy may entail extensive policy, legal, technology and market initiatives. Transition risks, including changes in consumer preferences and additional regulatory requirements or supervisory expectations or taxes, could increase our expenses and undermine our strategies. In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our customers' involvement, in certain industries or projects, in the absence of mitigation and/or transition measures, associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. As climate risk is interconnected with all key risk types, we have developed and continue to enhance processes to embed climate risk considerations into our risk management strategies established for risks such as market, credit and operational risks; however, because the timing and severity of climate change may not be predictable, our risk management strategies may not be effective in mitigating climate risk exposure.

Compliance Risks:

We operate in a highly regulated industry, and the laws and regulations that govern our operations, corporate governance, executive compensation and financial accounting, or reporting, including changes in them, or our failure to comply with them, may adversely affect us.

The banking industry is highly regulated. We are subject to supervision, regulation, and examination by various federal and state regulators, including the Federal Reserve, OCC, SEC, CFPB, FDIC, FINRA, and various state regulatory agencies. The statutory and regulatory framework that governs us is generally intended to protect depositors and customers, the DIF, the U.S. banking and financial system, and financial markets as a whole - not to protect shareholders. These laws and regulations, among other matters, prescribe minimum capital requirements, impose limitations on our business activities (including foreclosure and collection practices), limit the dividend or distributions that we can pay, restrict the ability of institutions to guarantee our debt, and impose certain specific accounting requirements that may be more restrictive and may result in greater or earlier charges to earnings or reductions in our capital than accounting principles generally accepted in the United States. Compliance with laws and regulations can be difficult and costly, and changes to laws and regulations often impose additional compliance costs. Such regulation and supervision may increase our costs and limit our ability to pursue business opportunities. Further, our failure to comply with these laws and regulations, even if the failure was inadvertent or reflects a difference in interpretation, could subject us to restrictions on our business activities, fines, and other penalties, any of which could adversely affect our results of operations, capital base, and the price of our securities. Further, any new laws, rules, and regulations could make compliance more difficult or expensive or otherwise adversely affect our business and financial condition.

Legislative and regulatory actions taken now or in the future that impact the financial industry may materially adversely affect us by increasing our costs, adding complexity in doing business, impeding the efficiency of our internal business processes, negatively impacting the recoverability of certain of our recorded assets, requiring us to increase our regulatory capital, limiting our ability to pursue business opportunities, and otherwise resulting in a material adverse impact on our financial condition, results of operation, liquidity, or stock price.

Both the scope of the laws and regulations and the intensity of the supervision to which we are subject increased in response to the financial crisis, as well as other factors such as technological and market changes. Regulatory enforcement and fines have also increased across the banking and financial services sector. Compliance with these laws and regulations have resulted in and will continue to result in additional costs, which could be significant, and may have a material and adverse effect on our results of operations. In addition, if we do not appropriately comply with current or future legislation and regulations, especially those that apply to our consumer operations, which has been an area of heightened focus, we may be subject to fines, penalties or judgments, or material regulatory restrictions on our businesses, which could adversely affect operations and, in turn, financial results.

We expect that the Biden Administration will continue to implement a regulatory reform agenda that is significantly different than that of the Trump Administration. This reform agenda could include a heightened focus on consumer protection, fair lending, the regulation of loan portfolios and credit concentrations to borrowers impacted by climate change, heightened scrutiny on Bank Secrecy Act and AML requirements, topics related to social equity, executive compensation, and increased capital and liquidity, as well as limits on share buybacks and dividends. In addition, mergers and acquisitions could be dampened by increased antitrust scrutiny. We also expect reform proposals for the short-term wholesale markets. It is too early for us to assess the extent to which these policies would be implemented and what their impact on our business will be.

The resolution of significant pending litigation, if unfavorable, could have an adverse effect on our results of operations for a particular period.

We face legal risks in our businesses, and the volume of claims and amount of damages and penalties claimed in litigation and regulatory proceedings against financial institutions remain high. Substantial legal liability against us could have material adverse financial effects or cause significant reputational harm to us, which in turn could seriously harm our business prospects. It is possible that the ultimate resolution of these matters, if unfavorable, may be material to the results of operations for a particular reporting period.

For more information on litigation risks, see Note 22 - [“Commitments and Contingent Liabilities”](#) to the Consolidated Financial Statements.

Noncompliance with the Bank Secrecy Act and other anti-money laundering statutes and regulations could cause us material financial loss.

The Bank Secrecy Act and the Patriot Act contain anti-money laundering and financial transparency provisions intended to detect and prevent the use of the U.S. financial system for money laundering and terrorist financing activities. The Bank Secrecy Act, as amended by the Patriot Act, requires depository institutions and their holding companies to undertake activities including maintaining an anti-money laundering program, verifying the identity of clients, monitoring for and reporting suspicious transactions, reporting on cash transactions exceeding specified thresholds, and responding to requests for information by regulatory authorities and law enforcement agencies. FinCEN, a unit of the Treasury Department that administers the Bank Secrecy Act, is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the federal bank regulatory agencies, as well as the United States Department of Justice, Drug Enforcement Administration, and IRS.

There is also increased scrutiny of compliance with the rules enforced by the OFAC. If our policies, procedures, and systems are deemed deficient or the policies, procedures, and systems of the financial institutions that we have already acquired or may acquire in the future are deficient, we would be subject to liability, including fines and regulatory actions such as restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain planned business activities, including acquisition plans, which would negatively impact our business, financial condition, and results of operations. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us.

For more information regarding the Bank Secrecy Act, Patriot Act, anti-money laundering requirements and OFAC-administered sanctions, refer to Item 1: Business - [“Regulatory Matters”](#).

Strategic Risk:

We operate in a highly competitive industry which depends on our ability to successfully execute our strategic plan and adapt our products and services to evolving industry standards and consumer preferences.

We are subject to intense competition from both other financial institutions and from non-bank entities, including FinTech companies. Technology has lowered the barriers to entry, with customers having a growing variety of traditional and nontraditional alternatives, including crowdfunding, digital wallets and money transfer services. The continuous widespread adoption of new technologies, including internet services and mobile applications, and advanced ATM functionality, is influencing how individuals and firms conduct their financial affairs and is changing the delivery channels for financial services. Our “People-First, Digitally-Powered” strategic plan considers the implications of these changes in technology. Additionally, these changes require us to adapt our product and services, as well as our distribution of them, to evolving industry standards and customer preferences. Failure to address competitive pressures could make it more difficult for us to attract and retain customers across our businesses.

Our success depends, in part, on our ability to successfully implement our strategic plan as well as adapt existing products and services and develop competitive new products and services demanded by our customers. The widespread adoption of technologies will continue to require substantial investments to modify or adapt existing products and services and to develop new product or services. Additionally, we may not be successful in executing our strategic plan, introducing new products or services, achieving market acceptance of new product or services, anticipating or reacting to customers changing preferences or attracting and retaining loyal customers.

We depend on our executive officers and key personnel to continue the implementation of our long-term business strategy and could be harmed by the loss of their services.

We believe that our continued growth and future success will depend in large part on the skills of our management team and our ability to motivate and retain these individuals and other key personnel. The loss of service of one or more of our executive officers or key personnel could reduce our ability to successfully implement our long-term business strategy, our business could suffer, and the value of our stock could be materially adversely affected. Leadership changes will occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit additional qualified personnel. We believe our management team possesses valuable knowledge about the banking industry and that their knowledge and relationships would be very difficult to replicate. Our success also depends on the experience of our branch managers and lending officers and on their relationships with the customers and communities they serve. The loss of these key personnel could negatively impact our banking operations. The loss of key personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition, or operating results.

Bank regulations regarding capital and liquidity, including the CCAR assessment process and the U.S. Basel III capital and liquidity standards, could require higher levels of capital and liquidity. Among other things, these regulations could impact our ability to pay common stock dividends, repurchase common stock, attract cost-effective sources of deposits, or require the retention of higher amounts of low yielding securities.

The Federal Reserve administers CCAR, a periodic forward-looking quantitative assessment of Huntington's capital adequacy and planned capital distributions and a review of the strength of Huntington's practices to assess capital needs. The Federal Reserve makes a quantitative assessment of capital based on supervisory-run stress tests that assess the ability to maintain capital levels above each minimum regulatory capital ratio after making all capital actions included in Huntington's capital plan, under baseline and stressful conditions throughout a nine-quarter planning horizon. The CCAR process is also used to determine Huntington's stress capital buffer requirement. There can be no assurance that the Federal Reserve or OCC will respond favorably to our capital plans, planned capital actions or stress test results, and the Federal Reserve, OCC, or other regulatory capital requirements may limit or otherwise restrict how we utilize our capital, including common stock dividends and stock repurchases.

We are also required to maintain minimum capital ratios and the Federal Reserve and OCC may determine that Huntington and/or the Bank, based on size, complexity, or risk profile, must maintain capital ratios above these minimums in order to operate in a safe and sound manner. In the event we are required to raise capital to maintain required minimum capital and leverage ratios or ratios above the required applicable minimums, we may be forced to do so when market conditions are undesirable or on terms that are less favorable to us than we would otherwise require. Furthermore, in order to prevent becoming subject to restrictions on our ability to distribute capital or make certain discretionary bonus payments to management, the Bank must maintain a Capital Conservation Buffer of 2.5%, and Huntington must maintain the applicable stress capital buffer determined as part of the CCAR process, which are in addition to our required minimum capital ratios.

For more information regarding CCAR, stress testing, and capital and liquidity requirements, refer to Item 1: Business - ["Regulatory Matters"](#).

If our regulators deem it appropriate, they can take regulatory actions that could result in a material adverse impact on our financial results, ability to compete for new business, or preclude mergers or acquisitions. In addition, regulatory actions could constrain our ability to fund our liquidity needs or pay dividends. Any of these actions could increase the cost of our services.

We are subject to the supervision and regulation of various state and federal regulators, including the OCC, Federal Reserve, FDIC, SEC, CFPB, FINRA, and various state regulatory agencies. As such, we are subject to a wide variety of laws and regulations, many of which are discussed in Item 1: Business - "[Regulatory Matters](#)". As part of their supervisory process, which includes periodic examinations and continuous monitoring, the regulators have the authority to impose restrictions or conditions on our activities and the manner in which we manage the organization. Such actions could negatively impact us in a variety of ways, including charging monetary fines, impacting our ability to pay dividends, precluding mergers or acquisitions, limiting our ability to offer certain products or services, or imposing additional capital requirements.

Under the supervision of the CFPB, our Consumer and Business Banking products and services are subject to heightened regulatory oversight and scrutiny with respect to compliance under consumer laws and regulations. We may face a greater number or wider scope of investigations, enforcement actions, and litigation in the future related to consumer practices, thereby increasing costs associated with responding to or defending such actions. Also, federal and state regulators have been increasingly focused on sales practices of branch personnel, including taking regulatory action against other financial institutions. In addition, increased regulatory inquiries and investigations, as well as any additional legislative or regulatory developments affecting our consumer businesses, and any required changes to our business operations resulting from these developments, could result in significant loss of revenue, require remuneration to our customers, trigger fines or penalties, limit the products or services we offer, require us to increase our prices and, therefore, reduce demand for our products, impose additional compliance costs on us, increase the cost of collection, cause harm to our reputation, or otherwise adversely affect our consumer businesses.

In addition, we are allowed to conduct certain activities that are financial in nature by virtue of Huntington's status as an FHC, as discussed in more detail in Item 1. Regulatory Matters. If Huntington or the Bank cease to meet the requirements necessary for Huntington to continue to qualify as an FHC, the Federal Reserve may impose upon us corrective capital and managerial requirements, and may place limitations on our ability to conduct all of the business activities that we conduct as a FHC. If the failure to meet these standards persists, we could be required to divest our Bank, or cease all activities other than those activities that may be conducted by a BHC but not an FHC.

Reputation Risk:

Damage to our reputation could significantly harm our business, including our competitive position and business prospects.

Our ability to attract and retain customers, clients, investors, and employees is affected by our reputation. Significant harm to our reputation can arise from various sources, including officer, director or employee misconduct, actual or perceived unethical behavior, conflicts of interest, security breaches, litigation or regulatory outcomes, compensation practices, failing to deliver minimum or required standards of service and quality, failing to address customer and agency complaints, compliance failures, unauthorized release of personal, proprietary or confidential information due to cyber-attacks or otherwise, perception of our environmental, social and governance practices and disclosures, and the activities of our clients, customers, and counterparties, including vendors. Actions by the financial service industry generally or by institutions or individuals in the industry can adversely affect our reputation indirectly by association. In addition, adverse publicity or negative information posted on social media, whether or not factually correct, may affect our business prospects. All of these could adversely affect our growth, results of operation, and financial condition.

Risks related to the TCF Merger:

We expect to continue to incur substantial costs related to the Merger.

We have incurred substantial costs in connection with the Merger and subsequent integration of the processes, policies, procedures, operations, and technologies and systems, including purchasing, accounting and finance, payroll, compliance, treasury management, branch operations, vendor management, risk management, lines of business, pricing and benefits. While we have attempted to accurately forecast these costs, factors that are beyond our control or that we have failed to accurately estimate could result in us incurring future charges in excess of our current estimates. These charges could be material and could materially adversely affect our future earnings.

The integration of Huntington and TCF may be more difficult, costly or time consuming than expected and Huntington may fail to realize the anticipated benefits of the Merger.

The success of the Merger will depend, in part, on the ability to realize the anticipated growth opportunities and cost savings from combining the businesses of Huntington and TCF. To realize the anticipated benefits and cost savings from the Merger, we must successfully integrate and combine the businesses of Huntington and TCF in a manner that permits those cost savings to be realized. If we are not able to successfully achieve these objectives, or if we have failed to accurately estimate the anticipated benefits of the Merger, the anticipated benefits may not be realized fully or at all, they may take longer to realize than expected, and we may incur additional unforeseen expenses.

The integration process could result in the loss of key employees, diversion of management attention and resources, the disruption of the combined company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees. In addition, the impacts of the COVID-19 pandemic may make it more costly or more difficult to integrate our new customers and employees, which, in turn, may make it more difficult to realize anticipated synergies or cost savings in the amounts estimated, in the timeframe contemplated, or at all.

Our future results may suffer if we do not effectively manage our expanded operations.

As a result of the Merger, the size, scope, and complexity of our business has increased significantly beyond that of either Huntington's or TCF's business prior to the Merger. Our future success will depend, in part, upon our ability to manage and achieve the benefits we have anticipated will be associated with this expanded business, challenges, including challenges related to the management and monitoring of new operations and the associated increased costs and complexity. We may also face increased scrutiny from governmental authorities as a result of the significant increase in the size of our business. There can be no assurances that we will be successful or that we will realize the expected operating efficiencies, cost savings, growth opportunities, revenue enhancements or other benefits currently anticipated.

Item 1B: Unresolved Staff Comments

None.

Item 2: Properties

Our headquarters, as well as the Bank’s, is located in the Huntington Center, a thirty-seven story office building located in Columbus, Ohio. Of the building’s total office space available, we lease approximately 22%. The lease term expires in 2030, with six five-year renewal options for up to 30 years but with no purchase option. The Bank has an indirect minority equity interest of 18% in the building.

Our major properties consist of the following:

Description	Location	Primary Business Segment	Utilization of Property for HBI purposes	Own	Lease
Tower Building - Office	Akron, OH	Regional Leadership, Commercial Banking, Business Banking, Private Client Banking, Trust, Bank Operations, Retail Bank Branch	50%	✓	
Cascade III (own building, lease land)	Akron, OH	Compliance, Consumer & Private Bank Technology, Corporate Sourcing, Bank Operations, Indirect Lending, Information Security Services	57%	✓	✓
Easton - HNB Business Service Center	Columbus, OH	Bank Operations, Vehicle Finance, Business Banking Credit, Technology, Special Assets, Human Resources	68%	✓	
Capitol Square	Columbus, OH	Bank Security, Internal Audit, Risk Administration, Treasury Management, Retail Bank Branch	57%	✓	
Gateway Center	Columbus, OH	Bank Operations, Corporate Sourcing, Indirect Loan, Insurance, Phone Bank	69%	✓	
Huntington Center (lease a portion of building)	Columbus, OH	Bank Administration, Private Client Group, Commercial Risk, Treasury, Finance, Accounting, Legal, Marketing, Human Resources, Tax	70%		✓
Huntington Plaza	Columbus, OH	Bank Operations, Compliance, HIC, Human Resources, Insurance	66%	✓	
Detroit Tower	Detroit, MI	Building expected to be completed in 2022	n/a		✓
Indianapolis Main	Indianapolis, IN	Regional Leadership, Business Banking, Commercial Banking, Vehicle Finance, HIC, Trust, Private Client	61%	✓	
Crescent Ridge	Minnetonka, MN	Wealth, Commercial Banking, Regional Executive Leadership	2%		✓
Plymouth Corporate Center	Plymouth, MN	Commercial Banking, Consumer and Business Banking, Private Client Group, Support Services	46%		✓
Troy West	Troy, MI	Commercial Banking, Consumer and Business Banking, Private Client Group, Support Services	43%		✓
Downtown Saginaw	Saginaw, MI	Regional Leadership, Private Banking, Retail Bank Branch	15%	✓	
Mahoning Federal Plaza Building	Youngstown, OH	Business Banking Credit, Bank Operations, Commercial Banking	52%	✓	

The major properties occupied by the Company are used across all of the business segments and for corporate purposes.

Item 3: Legal Proceedings

Information required by this item is set forth in Note 22 - [“Commitments and Contingent Liabilities”](#) of the Notes to Consolidated Financial Statements under the caption “Litigation and Regulatory Matters” and is incorporated into this Item by reference.

Item 4: Mine Safety Disclosures

Not applicable.

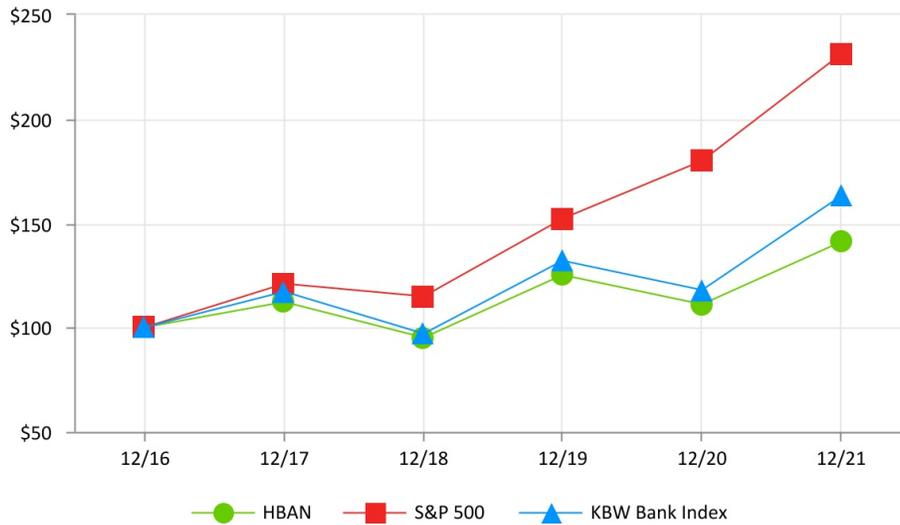
PART II

Item 5: Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The common stock of Huntington Bancshares Incorporated is traded on the Nasdaq Global Stock Market under the symbol “HBAN”. As of January 31, 2022, we had 31,999 shareholders of record.

Information regarding restrictions on dividends, as required by this Item, is set forth in Item 1: “Business [Regulatory Matters](#)” and in Note 23 - “[Other Regulatory Matters](#)” of the Notes to Consolidated Financial Statements and incorporated into this Item by reference.

The following graph shows the changes, over the five-year period, in the value of \$100 invested in (i) shares of Huntington’s Common Stock; (ii) the Standard & Poor’s 500 Stock Index (the S&P 500 Index) and (iii) Keefe, Bruyette & Woods Bank Index, for the period December 31, 2016, through December 31, 2021. The KBW Bank Index is a market capitalization-weighted bank stock index published by Keefe, Bruyette & Woods. The index is composed of the largest banking companies and includes all money center banks and regional banks, including Huntington. An investment of \$100 on December 31, 2016, and the reinvestment of all dividends, are assumed. The plotted points represent the cumulative total return on the last trading day of the fiscal year indicated.



	2016	2017	2018	2019	2020	2021
HBAN	\$100	\$112	\$95	\$125	\$111	\$141
S&P 500	100	121	115	152	180	231
KBW Bank Index	100	117	97	132	118	163

For information regarding securities authorized for issuance under Huntington's equity compensation plans, see Part III, Item 12.

The following table provides information regarding Huntington's purchases of its Common Stock during the three-month period ended December 31, 2021.

<i>Period</i>	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Maximum Number of Shares (or Approximate Dollar Value) that May Yet Be Purchased Under the Plans or Programs (2)
October 1, 2021 to October 31, 2021	—	\$ —	300,051,032
November 1, 2021 to November 30, 2021	3,341,891	15.86	247,052,787
December 1, 2021 to December 31, 2021	6,388,578	15.18	150,053,953
Total	9,730,469	\$ 15.42	150,053,953

(1) The reported shares were repurchased pursuant to Huntington's publicly-announced share repurchase authorization.

(2) The number shown represents, as of the end of each period, the approximate dollar value of Common Stock that may yet be purchased under publicly-announced share repurchase authorizations. The shares may be purchased, from time-to-time, depending on market conditions.

On July 21, 2021, the Board authorized the repurchase of up to \$800 million of common shares within the four quarter period from the third quarter of 2021 through the second quarter of 2022. Purchases of common stock under the authorization may include open market purchases, privately negotiated transactions, and accelerated share repurchase programs. During 2021, Huntington repurchased a total of \$650 million common stock, representing 43.1 million common shares, at a weighted average price of \$15.07.

Item 6:

[Reserved]

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

INTRODUCTION

This MD&A provides information we believe necessary for understanding our financial condition, changes in financial condition, results of operations, and cash flows. The MD&A should be read in conjunction with the [Consolidated Financial Statements](#), [Notes to Consolidated Financial Statements](#), and other information contained in this report. The forward-looking statements in this section and other parts of this report involve assumptions, risks, uncertainties, and other factors, including statements regarding our plans, objectives, goals, strategies, and financial performance. Our actual results could differ materially from the results anticipated in these forward-looking statements as a result of factors set forth under the caption "Forward-Looking Statements" and those set forth in Item 1A.

EXECUTIVE OVERVIEW

Acquisition of TCF Financial Corporation

On June 9, 2021, Huntington closed the acquisition of TCF Financial Corporation in an all-stock transaction valued at \$7.2 billion. TCF was a financial holding company headquartered in Detroit, Michigan with operations across the Midwest. The acquisition brought increased scale and market density, as well as added new markets and capabilities. Historical periods prior to June 9, 2021 reflect results of legacy Huntington operations. Subsequent to closing, results reflect all post-acquisition activity. For further information, refer to Note 3 "Acquisition of TCF Financial Corporation" of the Notes to Consolidated Financial Statements.

2021 Financial Performance Review

Total full-year revenue increased 24% to \$6.0 billion, driven from the benefits of the TCF acquisition and organic growth. In 2021, we reported net income of \$1.3 billion, a 59% increase from the prior year. Earnings per common share on a diluted basis for the year were \$0.90, up 30% from the prior year. The reported net income was negatively impacted by TCF acquisition-related expenses totaling \$701 million, or \$566 million after tax (\$0.44 per common share), in addition to the TCF acquisition initial provision for credit losses of \$294 million, or \$239 million after tax (\$0.19 per common share).

Net interest income for 2021 was \$4.1 billion, up \$878 million, or 27%, from 2020. FTE net interest income for 2021 increased \$882 million from 2020. The increase in FTE net income reflected the benefit from a \$31.7 billion, or 29%, increase in average earning assets, partially offset by a 5 basis point decrease in the FTE net interest margin to 2.94%. Average earning asset growth included a \$17.6 billion, or 22%, increase in average loans and leases, impacted by the TCF acquisition in June 2021, and a \$9.4 billion, or 39% increase in average securities. The NIM compression reflected an 37 basis point decline in average earning asset yields and a 14 basis point decline in the benefit from noninterest-bearing funds, partially offset by a 46 basis point decline in average funding costs.

The provision for credit losses was \$25 million, a decrease of \$1.0 billion, or 98%. The current year reflects forecasted improvement in the macroeconomic scenarios resulting primarily from lower forecasted unemployment, partially offset by the TCF acquisition initial provision for credit losses of \$294 million (\$234 million from non-PCD loans and leases and \$60 million from acquired unfunded lending commitments). Prior year reflects the forecasted impact of COVID-19 and the related uncertainty.

Noninterest income was \$1.9 billion, up \$298 million, or 19%, from the prior year. Noninterest expense was \$4.4 billion, up \$1.6 billion, or 57%, from the prior year. The increases in both noninterest income and noninterest expense were primarily impacted by the acquisition of TCF.

The tangible common equity to tangible assets ratio was 6.88%, down 29 basis points. The regulatory Common Equity Tier 1 (CET1) risk-based capital ratio was 9.33%, down 67 basis points. The regulatory Tier 1 risk-based capital ratio was 10.99%, down 148 basis points. The decrease in regulatory capital ratios was driven by the repurchase of \$650 million of common stock during 2021 and cash dividends, partially offset by earnings. The balance sheet growth as a result of the TCF acquisition was largely offset by the common stock issued related to the acquisition, net of goodwill and intangibles, as both are deducted from capital in the ratio calculation. The regulatory Tier 1 risk-based capital and total risk-based capital ratios also reflect the issuance of \$500 million of Series H preferred stock in the 2021 first quarter, the issuance of \$175 million of Series I preferred stock in the 2021 second quarter, partially offset by the redemptions of \$600 million of Series D preferred stock in the 2021 third quarter and \$100 million of Series C preferred stock in the 2021 fourth quarter. Additionally, the total risk-based capital ratio reflects the issuance of \$558 million of subordinated notes in the 2021 third quarter.

On July 21, 2021, the Board approved the repurchase of up to \$800 million of common share within the four quarter period from the third quarter of 2021 through the second quarter of 2022. Purchases of common stock under the authorization may include open market purchases, privately negotiated transactions, and accelerated share repurchase programs. During 2021, Huntington repurchased a total of \$650 million of common stock, representing 43.1 million common shares, at a weighted average price of \$15.07.

Business Overview

General

Our general business objectives are:

- Build on our vision to become the country's leading people-first, digitally powered bank
- Drive sustainable long-term revenue growth and efficiency
- Deliver a Category of One customer experience through proactive and personalized guidance, differentiated products, and expertise
- Extend our digital capabilities with focus on ease of use, access to information, and self-service across products and services
- Add scale and scope by acquiring and deepening relationships and launching of select partnerships
- Maintain positive operating leverage and execute disciplined capital management
- Execute effective risk management with an aggregate moderate-to-low, through-the-cycle risk appetite

COVID-19

Although U.S. and global economies have begun to recover from the COVID-19 pandemic as many health and safety restrictions have been lifted and vaccine distribution has increased, certain adverse consequences of the pandemic continue to impact the macroeconomic environment and may persist for some time, including labor shortages and disruptions of global supply chains. The growth in economic activity and demand for goods and services, alongside labor shortages and supply chain complications, has also contributed to rising inflationary pressures. The extent to which the COVID-19 pandemic continues to impact our business, financial condition, liquidity, and results of operations will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the rate and distribution and administration of vaccines globally, the severity and duration of any resurgence of COVID-19 variants, the actions taken to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

We also expect that the temporary reduction of interest rates to near zero in response to the effects of the COVID-19 pandemic will, gradually and slowly over the course of the next year, be reversed, with the FRB now signaling its concerns with respect to inflation and announcing that it will begin to taper its purchase of mortgage and other bonds. The timing and impact of the expected reversal in interest rate trends is unknown.

Throughout the pandemic, we have worked with our customers to originate and renew business loans as well as originate loans made available through the SBA PPP, a lending program established as part of the relief to American consumers and businesses in the CARES Act. Several subsequent congressional acts have reopened and extended the PPP loan program. During the year, we continued to work with our customers who received PPP loan forgiveness. Through December 2021, \$9.4 billion of the PPP loans have been forgiven by the SBA of the original \$11.4 billion of PPP loans originated by both Huntington and TCF prior to acquisition. As of December 31, 2021, we have outstanding PPP loan balances of \$1.5 billion.

Economy

Our 2021 results reflect good execution across the bank given the economic challenges faced by our customers, colleagues, communities and the country. We proactively managed through the continued low interest rate environment and economic volatility while finding additional ways to help our communities and complete the acquisition of TCF. The economy in our footprint continues to strengthen as demonstrated by the strong close to the year in commercial lending and our increasing loan pipelines. Additionally, many of the key economic indicators in the region such as unemployment rate, consumer confidence and consumer retail spending, continue to improve. We believe that Huntington enters 2022 with strong momentum. We are positioned to advance the strategy and long-term financial performance of the company through investments in technology, digital innovation, marketing and people.

Legislative and Regulatory

A comprehensive discussion of legislative and regulatory matters affecting us can be found in Item 1: Business - [Regulatory Matters](#)" section of this Form 10-K.

Table 1 - Selected Year to Date Income Statements
(amounts in millions, except per share data)

	Year Ended December 31,							
	2021	Change from 2020		2020	Change from 2019		2019	
		Amount	Percent		Amount	Percent		
Interest income	\$ 4,191	\$ 544	15 %	\$ 3,647	\$ (554)	(13) %	\$ 4,201	
Interest expense	89	(334)	(79)	423	(565)	(57)	988	
Net interest income	4,102	878	27	3,224	11	—	3,213	
Provision for credit losses	25	(1,023)	(98)	1,048	761	265	287	
Net interest income after provision for credit losses	4,077	1,901	87	2,176	(750)	(26)	2,926	
Service charges on deposit accounts	372	71	24	301	(71)	(19)	372	
Card and payment processing income	334	86	35	248	2	1	246	
Mortgage banking income	309	(57)	(16)	366	199	119	167	
Trust and investment management services	232	43	23	189	11	6	178	
Capital markets fees	151	26	21	125	2	2	123	
Insurance income	105	8	8	97	9	10	88	
Leasing revenue	99	78	371	21	2	11	19	
Bank owned life insurance income	69	5	8	64	(2)	(3)	66	
Gain on sale of loans	9	(33)	(79)	42	(13)	(24)	55	
Net gains (losses) on sales of securities	9	10	NM	(1)	23	96	(24)	
Other noninterest income	200	61	44	139	(25)	(15)	164	
Total noninterest income	1,889	298	19	1,591	137	9	1,454	
Personnel costs	2,335	643	38	1,692	38	2	1,654	
Outside data processing and other services	850	466	121	384	38	11	346	
Net occupancy	277	119	75	158	(1)	(1)	159	
Equipment	248	68	38	180	17	10	163	
Professional services	113	58	105	55	1	2	54	
Marketing	89	51	134	38	1	3	37	
Deposit and other insurance expense	51	19	59	32	(2)	(6)	34	
Amortization of intangibles	48	7	17	41	(8)	(16)	49	
Lease financing equipment depreciation	41	40	NM	1	(3)	(75)	4	
Other noninterest expense	323	109	51	214	(7)	(3)	221	
Total noninterest expense	4,375	1,580	57	2,795	74	3	2,721	
Income before income taxes	1,591	619	64	972	(687)	(41)	1,659	
Provision for income taxes	294	139	90	155	(93)	(38)	248	
Income after income taxes	1,297	480	59	817	(594)	(42)	1,411	
Income attributable to non-controlling interest	2	2	NM	—	—	—	—	
Net income attributable to Huntington Bancshares Inc	1,295	478	59	817	(594)	(42)	1,411	
Dividends on preferred shares	131	31	31	100	26	35	74	
Impact of preferred stock redemption	11	11	NM	—	—	—	—	
Net income applicable to common shares	\$ 1,153	\$ 436	61 %	\$ 717	\$ (620)	(46) %	\$ 1,337	
Average common shares—basic	1,262	245	24 %	1,017	(22)	(2) %	1,039	
Average common shares—diluted	1,287	254	25	1,033	(23)	(2)	1,056	
Per common share:								
Net income—basic	\$ 0.91	\$ 0.20	28 %	\$ 0.71	\$ (0.58)	(45) %	\$ 1.29	
Net income—diluted	0.90	0.21	30	0.69	(0.58)	(46)	1.27	
Cash dividends declared	0.605	0.01	2	0.60	0.02	3	0.58	
Revenue—FTE								
Net interest income	\$ 4,102	\$ 878	27 %	\$ 3,224	\$ 11	— %	\$ 3,213	
FTE adjustment ⁽¹⁾	25	4	19	21	(5)	(19)	26	
Net interest income ⁽¹⁾	4,127	882	27	3,245	6	—	3,239	
Noninterest income	1,889	298	19	1,591	137	9	1,454	
Total revenue ⁽¹⁾	\$ 6,016	\$ 1,180	24 %	\$ 4,836	\$ 143	3 %	\$ 4,693	

NM - Not meaningful

(1) On a fully-taxable equivalent (FTE) basis assuming a 21% tax rate.

DISCUSSION OF RESULTS OF OPERATIONS

This section provides a review of financial performance on a consolidated basis. Key consolidated balance sheet and income statement trends are discussed. All earnings per share data are reported on a diluted basis. For additional insight on financial performance, please read this section in conjunction with the [“Business Segment Discussion.”](#)

For a discussion of our results of operations for 2020 versus 2019, see “Part II, Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations” Discussion of Results of Operations included in our 2020 Form 10-K, filed with the SEC on February 26, 2021.

Net Interest Income / Average Balance Sheet

Our primary source of revenue is net interest income, which is the difference between interest income from earning assets (primarily loans, securities, and direct financing leases), and interest expense of funding sources (primarily interest-bearing deposits and borrowings). Earning asset balances and related funding sources, as well as changes in the levels of interest rates, impact net interest income. The difference between the average yield on earning assets and the average rate paid for interest-bearing liabilities is the net interest spread. Noninterest-bearing sources of funds, such as demand deposits and shareholders’ equity, also support earning assets. The impact of the noninterest-bearing sources of funds, often referred to as “free” funds, is captured in the net interest margin, which is calculated as net interest income divided by average earning assets. Both the net interest margin and net interest spread are presented on a FTE basis, which means that tax-free interest income has been adjusted to a pretax equivalent income, assuming a 21% tax rate.

The following table shows changes in fully-taxable equivalent interest income, interest expense, and net interest income due to volume and rate variances for major categories of earning assets and interest-bearing liabilities:

Table 2 - Change in Net Interest Income Due to Changes in Average Volume and Interest Rates (1)

<i>(dollar amounts in millions)</i>	2021			2020		
	Increase (Decrease) From Previous Year Due To			Increase (Decrease) From Previous Year Due To		
	Volume	Yield/ Rate	Total	Volume	Yield/ Rate	Total
Fully-taxable equivalent basis (2)						
Loans and leases	\$ 663	\$ (106)	\$ 557	\$ 200	\$ (655)	\$ (455)
Investment securities	174	(195)	(21)	23	(122)	(99)
Other earning assets	30	(18)	12	50	(55)	(5)
Total interest income from earning assets	867	(319)	548	273	(832)	(559)
Deposits	46	(199)	(153)	38	(425)	(387)
Short-term borrowings	(6)	(6)	(12)	(21)	(20)	(41)
Long-term debt	(38)	(131)	(169)	6	(143)	(137)
Total interest expense of interest-bearing liabilities	2	(336)	(334)	23	(588)	(565)
Net interest income	\$ 865	\$ 17	\$ 882	\$ 250	\$ (244)	\$ 6

(1) The change in interest income or expense due to both rate and volume has been allocated between the factors in proportion to the relationship of the absolute dollar amounts of the change in each.

(2) Calculated assuming a 21% tax rate.

Table 3 - Consolidated Average Balance Sheet and Net Interest Margin Analysis
(dollar amounts in millions)

	Average Balances						
	2021	Change from 2020		2020	Change from 2019		2019
		Amount	Percent		Amount	Percent	
Assets							
Interest-bearing deposits in Federal Reserve Bank	\$ 8,129	\$ 4,255	110 %	\$ 3,874	\$ 3,322	602 %	\$ 552
Interest-bearing deposits in banks	372	196	111	176	34	24	142
Securities:							
Trading account securities	50	(9)	(15)	59	(77)	(57)	136
Available-for-sale securities:							
Taxable	19,767	8,375	74	11,392	498	5	10,894
Tax-exempt	2,916	181	7	2,735	(172)	(6)	2,907
Total available-for-sale securities	22,683	8,556	61	14,127	326	2	13,801
Held-to-maturity securities—taxable	10,000	752	8	9,248	603	7	8,645
Other securities	556	113	26	443	(28)	(6)	471
Total securities	33,289	9,412	39	23,877	824	4	23,053
Loans held for sale	1,398	277	25	1,121	305	37	816
Loans and leases: (1)							
Commercial:							
Commercial and industrial	36,898	5,274	17	31,624	3,339	12	28,285
Commercial real estate:							
Construction	1,500	344	30	1,156	(15)	(1)	1,171
Commercial	9,912	4,014	68	5,898	196	3	5,702
Commercial real estate	11,412	4,358	62	7,054	181	3	6,873
Lease financing	3,739	1,446	63	2,293	29	1	2,264
Total commercial	52,049	11,078	27	40,971	3,549	9	37,422
Consumer:							
Residential mortgage	15,953	4,259	36	11,694	607	5	11,087
Automobile	13,008	170	1	12,838	495	4	12,343
Home equity	10,018	1,088	12	8,930	(486)	(5)	9,416
RV and marine	4,672	796	21	3,876	425	12	3,451
Other consumer	1,287	201	19	1,086	(173)	(14)	1,259
Total consumer	44,938	6,514	17	38,424	868	2	37,556
Total loans and leases	96,987	17,592	22	79,395	4,417	6	74,978
Allowance for loan and lease losses	(1,993)	(412)	(26)	(1,581)	(795)	(101)	(786)
Net loans and leases	94,994	17,180	22	77,814	3,622	5	74,192
Total earning assets	140,175	31,732	29	108,443	8,902	9	99,541
Cash and due from banks	1,356	232	21	1,124	282	33	842
Goodwill and other intangible assets	4,108	1,907	87	2,201	(45)	(2)	2,246
All other assets	8,635	1,590	23	7,045	917	15	6,128
Total assets	\$ 152,281	\$ 35,049	30 %	\$ 117,232	\$ 9,261	9 %	\$ 107,971
Liabilities and Shareholders' Equity							
Interest-bearing deposits:							
Demand deposits—interest-bearing	\$ 32,708	\$ 9,194	39 %	\$ 23,514	\$ 3,656	18 %	\$ 19,858
Money market deposits	30,039	4,344	17	25,695	1,923	8	23,772
Savings and other domestic deposits	17,357	6,637	62	10,720	804	8	9,916
Core certificates of deposit (2)	2,368	(242)	(9)	2,610	(2,980)	(53)	5,590
Other domestic time deposits of \$250,000 or more	353	137	63	216	(103)	(32)	319
Negotiable CDs, brokered and other deposits	3,525	(297)	(8)	3,822	1,006	36	2,816
Total interest-bearing deposits	86,350	19,773	30	66,577	4,306	7	62,271
Short-term borrowings	278	(869)	(76)	1,147	(1,297)	(53)	2,444
Long-term debt	7,479	(2,017)	(21)	9,496	164	2	9,332
Total interest-bearing liabilities	94,107	16,887	22	77,220	3,173	4	74,047
Demand deposits—noninterest-bearing	37,960	12,624	50	25,336	5,275	26	20,061
All other liabilities	3,205	832	35	2,373	70	3	2,303
Total Huntington Bancshares Inc shareholders' equity	16,997	4,694	38	12,303	743	6	11,560
Non-controlling interest	12	12	100	—	—	—	—
Total equity	17,009	4,706	38	12,303	743	6	11,560
Total liabilities and shareholders' equity	\$ 152,281	\$ 35,049	30 %	\$ 117,232	\$ 9,261	9 %	\$ 107,971

(1) For purposes of this analysis, NALs are reflected in the average balances of loans and leases.

(2) Includes consumer certificates of deposit of \$250,000 or more

Table 3 - Consolidated Average Balance Sheet and Net Interest Margin Analysis (Continued)
(dollar amounts in millions)

FTE basis (2)	Interest Income / Expense			Average Yield Rate (1)		
	2021	2020	2019	2021	2020	2019
Assets						
Interest-bearing deposits in Federal Reserve Bank	\$ 11	\$ 6	\$ 12	0.14 %	0.15 %	2.12 %
Interest-bearing deposits in banks	1	1	3	0.04	0.47	2.01
Securities:						
Trading account securities	1	2	3	3.32	3.10	2.17
Available-for-sale securities:						
Taxable	261	237	295	1.32	2.08	2.71
Tax-exempt	71	77	105	2.42	2.84	3.61
Total available-for-sale securities	332	314	400	1.46	2.23	2.90
Held-to-maturity securities—taxable	174	216	218	1.74	2.33	2.52
Other securities	10	6	16	1.75	1.41	3.47
Total securities	517	538	637	1.55	2.25	2.76
Loans held for sale	41	34	31	2.96	3.06	3.76
Loans and leases: (3)						
Commercial:						
Commercial and industrial	1,446	1,166	1,313	3.92	3.69	4.64
Commercial real estate:						
Construction	55	44	64	3.67	3.84	5.51
Commercial	307	181	273	3.10	3.07	4.79
Commercial real estate	362	225	337	3.17	3.19	4.91
Lease financing	186	124	128	4.98	5.42	5.66
Total commercial	1,994	1,515	1,778	3.83	3.70	4.75
Consumer:						
Residential mortgage	479	406	422	3.00	3.47	3.81
Automobile	471	504	500	3.62	3.93	4.05
Home equity	391	358	508	3.90	4.01	5.40
RV and marine	199	181	171	4.27	4.68	4.95
Other consumer	112	125	165	8.73	11.48	13.11
Total consumer	1,652	1,574	1,766	3.68	4.10	4.70
Total loans and leases	3,646	3,089	3,544	3.76	3.89	4.73
Total earning assets	\$ 4,216	\$ 3,668	\$ 4,227	3.01 %	3.38 %	4.25 %
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Demand deposits—interest-bearing	\$ 12	\$ 32	\$ 116	0.04 %	0.14 %	0.58 %
Money market deposits	21	100	260	0.07	0.39	1.09
Savings and other domestic deposits	5	10	22	0.03	0.09	0.22
Core certificates of deposit (4)	1	38	119	0.03	1.44	2.13
Other domestic time deposits of \$250,000 or more	1	3	7	0.21	1.18	1.82
Negotiable CDs, brokered and other deposits	5	15	61	0.16	0.38	2.18
Total interest-bearing deposits	45	198	585	0.05	0.30	0.94
Short-term borrowings	1	13	54	0.20	1.18	2.23
Long-term debt (5)	43	212	349	0.57	2.24	3.74
Total interest-bearing liabilities	89	423	988	0.09	0.55	1.34
Net interest income	\$ 4,127	\$ 3,245	\$ 3,239			
Net interest rate spread						
				2.92	2.83	2.91
Impact of noninterest-bearing funds on margin						
				0.02	0.16	0.35
Net interest margin						
				2.94 %	2.99 %	3.26 %

(1) Average rates include the impact of applicable derivatives. Loan and lease and deposit average rates also include impact of applicable non-deferrable and amortized fees.

(2) FTE yields are calculated assuming a 21% tax rate.

(3) For purposes of this analysis, NALs are reflected in the average balances of loans and leases.

(4) Includes consumer certificates of deposit of \$250,000 or more.

(5) Reflects the benefit of \$89 million mark-to-market of interest rate caps for 2021. There was no impact for 2020 or 2019.

Net interest income for 2021 increased \$878 million, or 27%, from 2020. FTE net interest income, a non-GAAP financial measure, for 2021 increased \$882 million, or 27%, from 2020. The increase reflects the benefit of a \$31.7 billion, or 29%, increase in average total earning assets partially offset by a 5 basis point decrease in the FTE NIM to 2.94%.

The increase in average total earning assets included a \$17.6 billion, or 22%, increase in average loans and leases and a \$9.4 billion, or 39%, increase in average total securities. Average balances across earning asset categories for 2021 reflect the late second-quarter TCF acquisition. The increase in average securities additionally reflected the purchase of securities to deploy excess liquidity. Average earning asset yields decreased 37 basis points due to lower interest rates on loans and leases (down 13 basis points), a decline in securities yields (down 70 basis points) and the impact of elevated deposits at the Federal Reserve Bank, partially offset by deferred PPP loan fees recognized upon receipt of forgiveness payments from the SBA (benefit of 9 basis points) and purchase accounting net accretion (benefit of 6 basis points). Average funding costs decreased 46 basis points, primarily driven by lower cost of long-term debt (down 167 basis points) and interest-bearing deposits (down 25 basis points). The benefit from noninterest-bearing funding declined 14 basis points.

Provision for Credit Losses

(This section should be read in conjunction with the “Credit Risk” section.)

The provision for credit losses is the expense necessary to maintain the ALLL and the AULC at levels appropriate to absorb our estimate of credit losses expected over the life of the loan and lease portfolio and unfunded lending commitments.

The provision for credit losses in 2021 was \$25 million, a decrease of \$1.0 billion, or 98%, from 2020. The decrease in provision expense over the prior year was primarily attributed to the improvement in the macroeconomic scenarios resulting primarily from lower forecasted unemployment, partially offset by the TCF acquisition initial provision for credit losses of \$294 million (\$234 million from non-PCD loans and leases and \$60 million from acquired unfunded lending commitments). The provision for credit losses in 2020 reflects the forecasted impact of COVID-19 and the related uncertainty.

Noninterest Income

The following table reflects noninterest income for each of the periods presented:

Table 4 - Noninterest Income

	Year Ended December 31,						
	2021	Change from 2020		2020	Change from 2019		2019
		Amount	Percent		Amount	Percent	
<i>(dollar amounts in millions)</i>							
Service charges on deposit accounts	\$ 372	\$ 71	24 %	\$ 301	\$ (71)	(19) %	\$ 372
Card and payment processing income	334	86	35	248	2	1	246
Mortgage banking income	309	(57)	(16)	366	199	119	167
Trust and investment management services	232	43	23	189	11	6	178
Capital markets fees	151	26	21	125	2	2	123
Insurance income	105	8	8	97	9	10	88
Leasing revenue	99	78	371	21	2	11	19
Bank owned life insurance income	69	5	8	64	(2)	(3)	66
Gain on sale of loans	9	(33)	(79)	42	(13)	(24)	55
Net gains (losses) on sales of securities	9	10	NM	(1)	23	96	(24)
Other noninterest income	200	61	44	139	(25)	(15)	164
Total noninterest income	\$ 1,889	\$ 298	19 %	\$ 1,591	\$ 137	9 %	\$ 1,454

Noninterest income was \$1.9 billion, up \$298 million, or 19%, from the prior year. Noninterest income for 2021 was impacted by the June 2021 acquisition of TCF. Card and payment processing increased \$86 million, or 35%, primarily reflecting higher interchange income resulting from the TCF acquisition in addition to reduced customer activity as a result of the pandemic stay-at-home orders in the beginning of the prior year period. Leasing revenue increased \$78 million primarily reflecting the addition of TCF's portfolio of products. Service charges on deposit accounts increased \$71 million, or 24%, primarily due to the impact of the addition of TCF customers, while the prior year period reflected pandemic-related fee waivers occurring through June. Other noninterest income increased \$61 million, or 44%, primarily reflecting increased mezzanine investment income, increased amortization of upfront card-related contract renewal fees, purchase accounting accretion from acquired unfunded loan commitments and a gain from branch divestiture, partially offset by the prior year period gain on the annuitization of a retiree health plan. Trust and investment management services income increased \$43 million, or 23%, primarily reflecting higher sales production, overall market performance and the impact of TCF. Capital markets fees increased \$26 million, or 21%, primarily driven by increases in derivative trading fees and foreign exchange fees. Offsetting these increases, mortgage banking income decreased \$57 million, or 16%, largely reflecting lower secondary marketing spreads. Gains on the sale of loans decreased \$33 million, or 79%, due largely to the strategic decision to retain SBA loans on the balance sheet.

Noninterest Expense

The following table reflects noninterest expense for each of the periods presented:

Table 5 - Noninterest Expense

<i>(dollar amounts in millions)</i>	Year Ended December 31,						
	2021	Change from 2020		2020	Change from 2019		2019
		Amount	Percent		Amount	Percent	
Personnel costs	\$ 2,335	\$ 643	38 %	\$ 1,692	\$ 38	2 %	\$ 1,654
Outside data processing and other services	850	466	121	384	38	11	346
Net occupancy	277	119	75	158	(1)	(1)	159
Equipment	248	68	38	180	17	10	163
Professional services	113	58	105	55	1	2	54
Marketing	89	51	134	38	1	3	37
Deposit and other insurance expense	51	19	59	32	(2)	(6)	34
Amortization of intangibles	48	7	17	41	(8)	(16)	49
Lease financing equipment depreciation	41	40	NM	1	(3)	(75)	4
Other noninterest expense	323	109	51	214	(7)	(3)	221
Total noninterest expense	\$ 4,375	\$ 1,580	57 %	\$ 2,795	\$ 74	3 %	\$ 2,721
Number of employees (average full-time equivalent)	18,442	2,864	18 %	15,578	(86)	(1) %	15,664

Impacts of TCF acquisition-related expense:

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Personnel costs	\$ 177	\$ —	\$ —
Outside data processing and other services	303	—	—
Net occupancy	82	—	—
Equipment	16	—	—
Professional services	57	—	—
Marketing	5	—	—
Other noninterest expense	61	—	—
Total noninterest expense adjustments	\$ 701	\$ —	\$ —

Noninterest expense was \$4.4 billion, an increase of \$1.6 billion, or 57%, from the prior year primarily reflecting the impact of the TCF acquisition and the TCF acquisition-related expenses. Personnel costs increased \$643 million, or 38%, primarily reflecting higher salaries and incentives related to an 18% increase in average full-time equivalent employees as a result of the TCF acquisition, as well as TCF acquisition-related expenses. Outside data processing and other services increased \$466 million, or 121%, reflecting TCF acquisition-related expenses and an increase in technology investments. Increases in net occupancy of \$119 million, or 75%, equipment expense of \$68 million, or 38%, professional services expense of \$58 million, or 105%, and other noninterest expense of \$109 million, or 51%, were primarily due to the impact of the TCF acquisition and TCF acquisition-related expenses. Marketing expense increased \$51 million, or 134%, reflecting deepening spend in new markets, and an increase in acquisition-related expenses. Lease financing equipment depreciation increased \$40 million and deposit and other insurance expense increased \$19 million, or 59%, primarily reflecting the impact of the TCF acquisition.

Provision for Income Taxes

(This section should be read in conjunction with Note 1 - "Significant Accounting Policies" and Note 18 - "Income Taxes" of the Notes to Consolidated Financial Statements.)

The provision for income taxes was \$294 million for 2021, compared with a provision for income taxes of \$155 million in 2020. The effective tax rates for 2021 and 2020 were 18.5% and 15.9%, respectively. Both years included the benefits from general business credits, capital losses, tax-exempt income, tax-exempt bank owned life insurance income, and investments in qualified affordable housing projects.

As of December 31, 2021 and 2020 there was no valuation allowance on federal deferred taxes. In 2021, a \$7 million increase in the provision for state income taxes, net of federal tax effect, was recorded for the portion of state deferred tax assets that are not more likely than not to be realized, compared to an increase of \$5 million, net of federal tax effect, in 2020.

RISK MANAGEMENT AND CAPITAL

Risk Governance

We use a multi-faceted approach to risk governance. It begins with the Board of Directors defining our risk appetite as aggregate moderate-to-low, through-the-cycle. This does not preclude engagement in select higher risk activities. Rather, the definition is intended to represent an aggregate view of where we want our overall risk to be managed.

Three Board committees primarily oversee implementation and monitoring of this desired risk appetite:

- Our *Audit Committee* oversees the integrity of the consolidated financial statements, including policies, procedures, and practices regarding the preparation of financial statements, the financial reporting process, disclosures, and internal control over financial reporting. The Audit Committee also provides assistance to our Board in overseeing the internal audit division and the independent registered public accounting firm's qualifications and independence; compliance with our Financial Code of Ethics for the chief executive officer and senior financial officers; and compliance with corporate securities trading policies.
- Our *Risk Oversight Committee* assists the Board in overseeing management of material risks, the approval and monitoring of our capital position and plan supporting our overall aggregate moderate-to-low, through-the-cycle risk appetite, the risk governance structure, compliance with applicable laws and regulations, and determining adherence to the board's stated risk appetite. The ROC has oversight responsibility with respect to the full range of inherent risks: credit, market, liquidity, legal, compliance/regulatory, operational, strategic, and reputational. The ROC provides assistance to our Board in overseeing the credit review group. This committee also oversees our capital management and planning process, ensures that the amount and quality of capital are adequate in relation to expected and unexpected risks, and that our capital levels exceed "well-capitalized" requirements.

- Our *Technology Committee* assists our Board in fulfilling its oversight responsibilities with respect to all technology, cyber security, and third-party risk management strategies and plans. The committee is charged with evaluating Huntington's capability to properly perform all technology functions necessary for its business plan, including projected growth, technology capacity, planning, operational execution, product development, and management capacity. Our Technology Committee provides oversight of technology investments and plans to drive efficiency as well as to meet defined standards for risk, information security, and redundancy. Our Technology Committee oversees the allocation of technology costs and ensures that they are understood by the Board. Our Technology Committee monitors and evaluates innovation and technology trends that may affect our strategic plans, including monitoring of overall industry trends. The Technology Committee reviews and provides oversight of our continuity and disaster recovery planning and preparedness.

Our Audit and Risk Oversight Committees routinely hold executive sessions with our key officers engaged in accounting and risk management. On a periodic basis, the two committees meet in joint session to cover matters relevant to both, such as the construct and appropriateness of the ACL, which is reviewed quarterly. All directors have access to information provided to each committee and all scheduled meetings are open to all directors.

Our Risk Oversight and Technology Committees routinely hold joint sessions to cover matters relevant to both such as cybersecurity and IT risk and control projects and risk assessments.

Further, through our Compensation Committee, our Board seeks to ensure its system of rewards is risk-sensitive and aligns the interests of management, creditors, and shareholders. We utilize a variety of compensation-related tools to induce appropriate behavior, including common stock ownership thresholds for the chief executive officer and certain members of senior management, a requirement to hold until retirement or exit from the Company, a portion of net shares received upon exercise of stock options or release of restricted stock awards (50% for executive officers and 25% for other award recipients), equity deferrals, recoupment provisions, and the right to terminate compensation plans at any time.

Management has implemented an Enterprise Risk Management and Risk Appetite Framework. Critically important is our self-assessment process, in which each business segment produces an analysis of its risks and the strength of its risk controls. The segment analyses are combined with assessments by our risk management organization of major risk sectors (e.g., credit, market, liquidity, operational, compliance, strategic, and reputation) to produce an overall enterprise risk assessment. Outcomes of the process include a determination of the quality of the overall control process, the direction of risk, and our position compared to the defined risk appetite.

Management also utilizes a wide series of metrics (key risk indicators) to monitor risk positions throughout the Company. In general, a range for each metric is established, which allows the Company, in aggregate, to operate within an aggregate moderate-to-low, through-the-cycle risk appetite. Deviations from the range will indicate if the risk being measured exceeds desired tolerance, which may then necessitate corrective action.

We also have four executive level committees to manage risk: ALCO, Credit Policy and Strategy, Risk Management, and Capital Management. Each committee focuses on specific categories of risk and is supported by a series of subcommittees that are tactical in nature. We believe this structure helps ensure appropriate escalation of issues and overall communication of strategies.

Huntington utilizes three lines of defense with regard to risk management: (1) business segments, (2) corporate risk management, and (3) internal audit and credit review. To induce greater ownership of risk within its business segments, segment risk officers have been embedded in the business to identify and monitor risk, elevate and remediate issues, establish controls, perform self-testing, and oversee the self-assessment process. Corporate Risk Management establishes policies, sets operating limits, reviews new or modified products/processes, ensures consistency and quality assurance within the segments, and produces the enterprise risk assessment. The Chief Risk Officer has significant input into the design and outcome of incentive compensation plans as they apply to risk. Internal audit and credit review provide additional assurance that risk-related functions are operating as intended.

A comprehensive discussion of risk management and capital matters affecting us can be found in the Risk Factors section included in Item 1A: Risk Factors and the "[Regulatory Matters](#)" section of Item 1: Business of this Form 10-K.

Some of the more significant processes used to manage and control credit, market, liquidity, operational, and compliance risks are described in the following sections.

Credit Risk

Credit risk is the risk of financial loss if a counterparty is not able to meet the agreed upon terms of the financial obligation. The majority of our credit risk is associated with lending activities, as the acceptance and management of credit risk is central to profitable lending. We also have credit risk associated with our investment securities portfolios (see Note 4 - "[Investment Securities and Other Securities](#)" of the Notes to Consolidated Financial Statements). We engage with other financial counterparties for a variety of purposes including investing, asset and liability management, mortgage banking, and trading activities. A variety of derivative financial instruments, principally interest rate swaps, caps, floors, and collars, are used in asset and liability management activities to protect against the risk of adverse price or interest rate movements. We also use derivatives, principally loan sale commitments, in hedging our mortgage loan interest rate lock commitments and mortgage loans held for sale. While there is credit risk associated with derivative activity, we believe this exposure is minimal. (See Note 1 - "[Significant Accounting Policies](#)" of the Notes to Consolidated Financial Statements.)

We focus on the early identification, monitoring, and management of all aspects of our credit risk. In addition to the traditional credit risk mitigation strategies of credit policies and processes, market risk management activities, and portfolio diversification, we use quantitative measurement capabilities utilizing external data sources, enhanced modeling technology, and internal stress testing processes. Our ongoing expansion of portfolio management resources is central to our commitment to maintaining an aggregate moderate-to-low, through-the-cycle risk appetite. In our efforts to identify risk mitigation techniques, we have focused on product design features, origination policies, and solutions for delinquent or stressed borrowers.

The maximum level of credit exposure to individual credit borrowers is limited by policy guidelines based on the perceived risk of each borrower or related group of borrowers. All authority to grant commitments sits with the independent credit administration function and is closely monitored and regularly updated. Concentration risk is managed through limits on loan type, geography, industry, and loan quality factors. We focus predominantly on extending credit to consumer and commercial customers with existing or expandable relationships within our primary banking markets, although we will consider lending opportunities outside our primary markets if we believe the associated risks are acceptable and aligned with strategic initiatives. Although we offer a broad set of products, we continue to develop new lending products and opportunities. Each of these new products and opportunities goes through a rigorous development and approval process prior to implementation to ensure our overall objective of maintaining an aggregate moderate-to-low risk portfolio profile.

The checks and balances in the credit process and the separation of the credit administration and risk management functions are designed to appropriately assess and sanction the level of credit risk being accepted, facilitate the early recognition of credit problems when they occur, and provide for effective problem asset management and resolution. For example, we do not extend additional credit to delinquent borrowers except in certain circumstances that substantially improve our overall repayment or collateral coverage position.

Loan and Lease Credit Exposure Mix

At December 31, 2021, our loans and leases totaled \$111.9 billion, representing a \$30.3 billion, or 37%, increase compared to \$81.6 billion at December 31, 2020.

Total commercial loans and leases were \$61.6 billion at December 31, 2021, and represented 55% of our total loan and lease credit exposure. Our commercial loan portfolio is diversified by product type, customer size, and geography, and is comprised of the following (*see Commercial Credit discussion*):

C&I – C&I loans are made to commercial customers for use in normal business operations to finance working capital needs, equipment purchases, or other projects. We focus on borrowers doing business within our geographic markets. C&I loans are generally underwritten individually and secured with the assets of the company and/or the personal guarantee of the business owners. The financing of owner-occupied facilities is considered a C&I loan even though there is improved real estate as collateral. This treatment is a result of the credit decision process, which focuses on cash flow from operations of the business to repay the debt. The operation, sale, rental, or refinancing of the real estate is not considered the primary repayment source for these types of loans. As we have expanded our C&I portfolio, we have developed a series of “vertical specialties” to ensure that new products or lending types are embedded within a structured, centralized Commercial Lending area with designated, experienced credit officers. These specialties are comprised of either targeted industries (for example, Healthcare, Food & Beverage, Finance and Insurance, etc.) and/or lending disciplines (Equipment Finance, Inventory Finance, Asset Based Lending, etc.), all of which requires a high degree of expertise and oversight to effectively mitigate and monitor risk. As such, we have dedicated colleagues and teams focused on bringing value-added expertise to these specialty customers.

CRE – CRE loans consist of loans to developers and REITs supporting income-producing or for-sale commercial real estate properties. We mitigate our risk on these loans by requiring collateral values that exceed the loan amount and underwriting the loan with projected cash flow in excess of the debt service requirement. These loans are made to finance properties such as apartment buildings, office and industrial buildings, and retail shopping centers, and are repaid through cash flows related to the operation, sale, or refinance of the property. For loans secured by real estate, appropriate appraisals are obtained at origination and updated on an as needed basis in compliance with regulatory requirements and our credit policies.

Construction CRE – Construction CRE loans are loans to developers, companies, or individuals used for the construction of a commercial or residential property for which repayment will be generated by the sale or permanent financing of the property. Our construction CRE portfolio primarily consists of multi-family, retail, office, and warehouse project types. Generally, these loans are for construction projects that have been pre-sold or pre-leased, or have secured permanent financing, as well as loans to real estate companies with significant equity invested in each project. These loans are managed by a specialized real estate lending group that actively monitors the construction phase and manages the loan disbursements according to the predetermined construction schedule.

Lease Financing – Lease financing products are designed to address the diverse financing needs of small to large companies primarily for the acquisition of equipment. Our lease financing portfolio will utilize a variety of origination partners and third-party sources including equipment manufacturers, dealers, or vendors set up under program structures to generate transactions from a nationwide footprint. High level business lines comprise of Industrial Finance, Specialty Finance, Healthcare Finance, Technology Finance, and Specialized Transportation, Franchise, & Government.

Total consumer loans and leases were \$50.3 billion at December 31, 2021, and represented 45% of our total loan and lease credit exposure. The consumer portfolio is comprised primarily of automobile loans, home equity lines-of-credit, residential mortgages, and RV and marine finance (*see Consumer Credit discussion*).

Residential mortgage – Residential mortgage loans represent loans to consumers for the purchase or refinance of a residence. These loans are generally financed over a 15-year to 30-year term, and in most cases, are extended to borrowers to finance their primary residence. Applications are underwritten centrally using consistent credit policies and processes. All residential mortgage loan decisions utilize a full appraisal for collateral valuation. Huntington has not originated or acquired residential mortgages that allow negative amortization or allow the borrower multiple payment options.

Automobile – Automobile loans are comprised primarily of loans made through automotive dealerships and include exposure in selected states outside of our primary banking markets. The exposure outside of our core footprint states represents 19% of the total exposure, with no individual state representing more than 6%.

Applications are underwritten using an automated underwriting system that applies consistent policies and processes across the portfolio.

Home equity – Home equity lending includes both home equity loans and lines-of-credit. This type of lending, which is secured by a first-lien or junior-lien on the borrower’s residence, allows customers to borrow against the equity in their home or refinance existing mortgage debt. Products include closed-end loans which are generally fixed-rate with principal and interest payments, and variable-rate, interest-only lines-of-credit which do not require payment of principal during the 10-year revolving period. The home equity line of credit converts to a 20-year amortizing structure at the end of the revolving period. Applications are underwritten centrally in conjunction with an automated underwriting system. The home equity underwriting criteria is based on minimum credit scores, debt-to-income ratios, and LTV ratios, with current collateral valuations. The underwriting for the floating rate lines of credit also incorporates a stress analysis for rising interest rates.

RV and marine – RV and marine loans are loans provided to consumers for the purpose of financing recreational vehicles and boats. Loans are originated on an indirect basis through a series of dealerships across 34 states. The loans are underwritten centrally using an application and decisioning system similar to automobile loans. The current portfolio includes 31% of the balances within our core footprint states.

Other consumer – Other consumer loans primarily consists of consumer loans not secured by real estate, including credit cards, personal unsecured loans, and overdraft balances. We originate these products within our established set of credit policies and guidelines.

The table below provides the composition of our total loan and lease portfolio:

Table 6 - Loan and Lease Portfolio Composition

<i>(dollar amounts in millions)</i>	At December 31,			
	2021		2020	
Commercial:				
Commercial and industrial	\$ 41,688	37 %	\$ 33,151	40 %
Commercial real estate:				
Commercial	13,090	12	6,164	8
Construction	1,871	2	1,035	1
Commercial real estate	14,961	14	7,199	9
Lease financing	5,000	4	2,222	3
Total commercial	61,649	55	42,572	52
Consumer:				
Residential mortgage	19,256	17	12,141	15
Automobile	13,434	12	12,778	16
Home equity	10,550	9	8,894	11
RV and marine	5,058	5	4,190	5
Other consumer	1,973	2	1,033	1
Total consumer	50,271	45	39,036	48
Total loans and leases	\$ 111,920	100 %	\$ 81,608	100 %

Our loan and lease portfolio is a managed mix of consumer and commercial credits. We manage the overall credit exposure and portfolio composition via a credit concentration policy. The policy designates specific loan types, collateral types, and loan structures to be formally tracked and assigned maximum exposure limits as a percentage of capital. Commercial lending by NAICS categories, specific limits for CRE project types, loans secured by residential real estate, large dollar exposures, and designated high risk loan categories represent examples of specifically tracked components of our concentration management process. There are no identified concentrations that exceed the assigned exposure limit. Our concentration management policy is approved by the ROC and is used to ensure a high quality, well diversified portfolio that is consistent with our overall objective of maintaining an aggregate moderate-to-low, through-the-cycle risk appetite. Changes to existing concentration limits, incorporating specific information relating to the potential impact on the overall portfolio composition and performance metrics, require the approval of the ROC prior to implementation.

The table below provides our total loan and lease portfolio segregated by industry type. The changes in the industry composition from December 31, 2020 are consistent with the portfolio growth metrics.

Table 7 - Loan and Lease Portfolio by Industry Type

(dollar amounts in millions)

	December 31, 2021		December 31, 2020	
Commercial loans and leases:				
Real estate and rental and leasing	\$ 14,287	13 %	\$ 6,962	9 %
Manufacturing	7,401	7	5,556	7
Retail trade (1)	6,709	6	5,111	6
Health care and social assistance	4,733	4	3,646	4
Finance and insurance	4,595	4	3,389	4
Wholesale Trade	4,067	4	2,652	3
Accommodation and food services	3,778	3	3,100	4
Transportation and warehousing	3,096	3	1,401	2
Other services	2,119	2	1,613	2
Construction	1,980	2	1,389	2
Professional, scientific, and technical services	1,975	2	2,051	3
Arts, entertainment, and recreation	1,495	1	744	1
Admin./Support/Waste Mgmt. and Remediation Services	1,285	1	975	1
Utilities	932	1	793	1
Information	870	1	829	1
Public administration	713	1	662	1
Educational services	657	—	735	1
Agriculture, forestry, fishing and hunting	453	—	157	—
Mining, quarrying, and oil and gas extraction	358	—	601	—
Management of companies and enterprises	130	—	144	—
Unclassified/other	16	—	62	—
Total commercial loans and leases by industry category	61,649	55 %	42,572	52 %
Residential mortgage	19,256	17	12,141	15
Automobile	13,434	12	12,778	16
Home Equity	10,550	9	8,894	11
RV and marine	5,058	5	4,190	5
Other consumer loans	1,973	2	1,033	1
Total loans and leases	\$ 111,920	100 %	\$ 81,608	100 %

(1) Amounts include \$1.5 billion and \$2.4 billion of auto dealer services loans at December 31, 2021 and December 31, 2020, respectively.

Commercial Credit

The primary factors considered in commercial credit approvals are the financial strength of the borrower, assessment of the borrower's management capabilities, cash flows from operations, industry sector trends, type and sufficiency of collateral, type of exposure, transaction structure, and the general economic outlook. While these are the primary factors considered, there are a number of other factors that may be considered in the decision process. We utilize signature approval authorities and centralized loan approval committees, led by our credit officers. The risk rating, credit exposure amount, and complexity of the credit determines the threshold for approval. Credit officers who understand each local region and are experienced in the industries and loan structures of the requested credit exposure are involved in all loan decisions not requiring loan committee approval and have the primary credit authority, with the exception of small business loans. For small business loans, we utilize a centralized loan approval process for standard products and structures. In this centralized decision environment, certain individuals who understand each local region may make credit-extension decisions to preserve our commitment to the communities in which we operate. In addition to disciplined and consistent judgmental factors, a sophisticated credit scoring process is used as a primary evaluation tool in the determination of approving a loan.

In commercial lending, on-going credit management is dependent on the type and nature of the loan. We monitor all significant exposures. All commercial credit extensions are assigned internal risk ratings reflecting the borrower's PD and LGD. This two-dimensional rating methodology provides granularity in the portfolio management process. The PD is rated and applied at the borrower level. The LGD is rated and applied based on the specific type of credit extension and the quality and lien position associated with the underlying collateral. The internal risk ratings are assessed at origination and updated at each periodic monitoring event. There is also extensive macro-portfolio management analysis. We review and adjust our risk-rating criteria based on actual experience, which provides us with the current risk level in the portfolio and is the basis for determining an appropriate ACL amount. A centralized portfolio management team monitors and reports on the performance of the entire commercial portfolio, including small business loans, to provide consistent oversight.

In addition to the initial credit analysis conducted during the approval process, our credit review group performs testing to provide an independent review and assessment of the quality and risk of new loan originations. This group is part of our Risk Management area and conducts portfolio reviews on a risk-based cycle to evaluate individual loans, validate risk ratings, and test the consistency of credit processes.

Our standardized loan grading system considers many components that directly correlate to loan quality and likelihood of repayment, one of which is guarantor support. On an at least annual basis, we consider, among other things, the guarantor's reputation and creditworthiness, where available, along with various key financial metrics such as liquidity and net worth. Our assessment of the guarantor's credit strength, or lack thereof, is reflected in our risk ratings for such loans, which is directly tied to, and an integral component of, our ACL methodology. When a loan goes to impaired status, viable guarantor support is considered in the determination of a credit loss.

If our assessment of the guarantor's credit strength yields an inherent capacity to perform, we will seek repayment from the guarantor as part of the collection process and have done so successfully.

Substantially all loans categorized as Classified (See Note 5 "[Loans / Leases](#)" of the Notes to Consolidated Financial Statements) are managed by FRG. FRG is a specialized group of credit professionals that handle the day-to-day management of workouts, commercial recoveries, and problem loan sales. Its responsibilities include developing and implementing action plans, assessing risk ratings, and determining the appropriateness of the allowance, the accrual status, and the ultimate collectability of the Classified loan portfolio.

C&I PORTFOLIO

We manage the risks inherent in the C&I portfolio through origination policies, a defined loan concentration policy with established limits, on-going loan-level and portfolio-level reviews, recourse requirements, and continuous portfolio risk management activities. Our origination policies for the C&I portfolio include loan product-type specific policies such as LTV and debt service coverage ratios, as applicable.

The C&I portfolio continues to have solid origination activity while we maintain a focus on high quality originations. We continue to maintain a proactive approach to identifying borrowers that may be facing financial difficulty in order to maximize the potential credit outcomes. Subsequent to the origination of the loan, the credit review group provides an independent review and assessment of the quality of the underwriting and risk of new loan originations.

CRE PORTFOLIO

We manage the risks inherent in this portfolio specific to CRE lending, focusing on the quality of the developer and the specifics associated with each project. Generally, we: (1) limit our loans to 80% of the appraised value of the commercial real estate at origination, (2) require net operating cash flows to be 120% of required interest and principal payments, and (3) if the commercial real estate is non-owner occupied, require that pre-leasing generate break-even interest-only debt service. We actively monitor both geographic and project-type concentrations and performance metrics of all CRE loan types, with a focus on loans identified as higher risk based on the risk rating methodology. Both macro-level and loan-level stress-test scenarios based on existing and forecast market conditions are part of the on-going portfolio management process for the CRE portfolio.

Dedicated real estate professionals originate and manage the portfolio. The portfolio is diversified by project type and loan size, and this diversification represents a significant portion of the credit risk management strategies employed for this portfolio. Subsequent to the origination of the loan, the credit review group provides an independent review and assessment of the quality of the underwriting and risk of new loan originations.

Appraisal values are obtained in conjunction with all originations and renewals, and on an as-needed basis, in compliance with regulatory requirements and to ensure appropriate decisions regarding the on-going management of the portfolio reflect the changing market conditions. Appraisals are obtained from approved vendors and are reviewed by an internal appraisal review group comprised of certified appraisers to ensure the quality of the valuation used in the underwriting process. We continue to perform on-going portfolio level reviews within the CRE portfolio. These reviews generate action plans based on occupancy levels or sales volume associated with the projects being reviewed. This highly individualized process requires working closely with all of our borrowers, as well as an in-depth knowledge of CRE project lending and the market environment.

LEASE FINANCING

We manage the risks inherent in the Lease Financing portfolio through external consumer and business credit scoring solutions, internally developed custom probability of default and loss given default models, continuous portfolio risk management activities, and equipment and customer diversification. Our origination policies are aligned by transaction size with increased use of the personal guarantee of principals and external credit scoring tools for smaller transactions and expanded financial analysis and reporting requirements for larger transactions. Our program focuses on high-quality manufacturer, distributor, vendor, or third party originations sources with in-depth partner diligence. The lease financing group may use manufacturer loss risk share programs that provide additional transaction support, but the origination strategy prioritizes strong customer financial condition.

High level business lines are comprised of Industrial Finance, Specialty Finance, Healthcare Finance, Technology Finance, and Specialized Transportation, Franchise, and Government with multiple segments under each main line. We also have specific equipment types or industries designated as low tolerance with additional front-end guidance and diligence requirements. Subsequent to the origination of the lease, the credit review group provides an independent review and assessment of the quality of the underwriting and risk of new lease originations.

Consumer Credit

Consumer credit approvals are based on, among other factors, the financial strength and payment history of the borrower, type of exposure, and transaction structure. Consumer credit decisions are generally made in a centralized environment utilizing decision models. Importantly, certain individuals who understand each local region have the authority to make credit extension decisions to preserve our focus on the local communities in which we operate. For all classes within the consumer loan portfolio, loans are assigned pool level PD factors based on the FICO range within which the borrower's credit bureau score falls. The credit bureau score is widely accepted as the standard measure of consumer credit risk used by lenders, regulators, rating agencies, and consumers. The LGD is related to the type of collateral associated with the credit extension, which typically does not change over the course of the loan term. This allows Huntington to maintain a current view of the customer for credit risk management and ACL purposes.

In consumer lending, credit risk is managed from a segment (i.e., loan type, collateral position, geography, etc.) and vintage performance analysis. All portfolio segments are continuously monitored for changes in delinquency trends and other asset quality indicators. We make extensive use of portfolio assessment models to continuously monitor the quality of the portfolio, which may result in changes to future origination strategies. The credit review group conducts ongoing independent credit origination and process reviews to ensure the effectiveness and efficiency of the consumer credit processes.

Collection actions by our customer assistance team are initiated as needed through a centrally managed collection and recovery function. We employ a series of collection methodologies designed to maintain a high level of effectiveness, while maximizing efficiency. In addition to the consumer loan portfolio, the customer assistance team is responsible for collection activity on all sold and securitized consumer loans and leases. Collection practices include a single contact point for the majority of the residential real estate secured portfolios.

RESIDENTIAL REAL ESTATE SECURED PORTFOLIOS

The properties securing our residential mortgage and home equity portfolios are primarily located within our geographic footprint. Huntington continues to support our local markets with consistent underwriting across all residential secured products. The residential secured portfolio originations continue to be of high quality. Our portfolio management strategies associated with our Home Savers group allow us to focus on effectively helping our customers with appropriate solutions for their specific circumstances.

Huntington underwrites all residential mortgage applications centrally, with a focus on higher quality borrowers. We do not originate residential mortgages that allow negative amortization or allow the borrower multiple payment options. Residential mortgages are originated based on a completed full appraisal during the credit underwriting process. We update values in compliance with applicable regulations to facilitate our portfolio management, as well as our workout and loss mitigation functions.

We are subject to repurchase risk associated with residential mortgage loans sold in the secondary market. An appropriate level of reserve for representations and warranties related to residential mortgage loans sold has been established to address this repurchase risk inherent in the portfolio.

AUTOMOBILE PORTFOLIO

Our strategy in the automobile portfolio continues to focus on high quality borrowers as measured by both FICO and internal custom scores, combined with appropriate LTVs, terms, and profitability. Our strategy and operational capabilities allow us to appropriately manage the origination quality across the entire portfolio, including our newer markets. Although increased origination volume and entering new markets can be associated with increased risk levels, we believe our disciplined strategy and operational processes significantly mitigate these risks.

We have continued to consistently execute our value proposition and take advantage of available market opportunities. Importantly, we have maintained our high credit quality standards while expanding the portfolio.

RV AND MARINE PORTFOLIO

Our strategy in the RV and Marine portfolio focuses on high quality borrowers, combined with appropriate LTVs, terms, and profitability. Although entering new markets can be associated with increased risk levels, we believe our disciplined strategy and operational processes significantly mitigate these risks.

Credit Quality

(This section should be read in conjunction with Note 5 “[Loans / Leases](#) and Note 6 “[Allowance for Credit Losses](#)” of the Notes to Consolidated Financial Statements.)

We believe the most meaningful way to assess overall credit quality performance is through an analysis of specific performance ratios. This approach forms the basis of the discussion in the sections immediately following: NPAs, NALs, ACL, and NCOs. In addition, we utilize delinquency rates, risk distribution and migration patterns, product segmentation, and origination trends in the analysis of our credit quality performance.

Credit quality performance in 2021 reflected NCOs of \$215 million, or 0.22% of average total loans and leases, a decrease from \$449 million or 0.57% in the prior year. The decrease was driven by \$182 million decrease in Commercial NCOs and a \$52 million decrease in Consumer NCOs. NPAs increased by \$187 million, or 33%, to \$750 million, largely driven by the TCF acquisition. The ACL to total loans ratio decreased to 1.88% at December 31, 2021 compared to 2.29% at December 31, 2020, primarily reflecting the improvement in the macroeconomic scenarios resulting primarily from lower forecasted unemployment. The prior year reflects the forecasted impact of COVID-19 and the related uncertainty.

NPAs and NALs

NPAs consist of (1) NALs, which represent loans and leases no longer accruing interest, (2) OREO properties, and (3) other NPAs. Any loan in our portfolio may be placed on nonaccrual status prior to the policies described below when collection of principal or interest is in doubt. Also, when a borrower with discharged non-reaffirmed debt in a Chapter 7 bankruptcy is identified and the loan is determined to be collateral dependent, the loan is placed on nonaccrual status.

Commercial loans are placed on nonaccrual status at 90-days past due, or earlier if repayment of principal and interest is in doubt. Of the \$522 million of commercial related NALs at December 31, 2021, \$382 million, or 73%, represent loans that were less than 30-days past due, demonstrating our continued commitment to proactive credit risk management. With the exception of residential mortgage loans guaranteed by government organizations which continue to accrue interest, first lien loans secured by residential mortgage collateral are placed on nonaccrual status at 150-days past due. Junior-lien home equity loans are placed on nonaccrual status at the earlier of 120-days past due or when the related first-lien loan has been identified as nonaccrual. Automobile, RV and marine and other consumer loans are generally fully charged-off at 120-days past due, and if not fully charged-off is placed on non-accrual.

When loans are placed on nonaccrual, any accrued interest is reversed against interest income. When, in our judgment, the borrower’s ability to make required interest and principal payments has resumed and collectability is no longer in doubt, the loan or lease could be returned to accrual status.

The following table reflects period-end NALs and NPAs detail:

Table 8 - Nonaccrual Loans and Leases and Nonperforming Assets

<i>(dollar amounts in millions)</i>	December 31,	
	2021	2020
Nonaccrual loans and leases (NALs):		
Commercial and industrial	\$ 370	\$ 349
Commercial real estate	104	15
Lease financing	48	4
Residential mortgage	111	88
Automobile	3	4
Home equity	79	70
RV and marine	1	2
Total nonaccrual loans and leases	716	532
Other real estate, net:		
Residential	8	4
Commercial	1	—
Total other real estate, net	9	4
Other NPAs (1)	25	27
Total nonperforming assets	\$ 750	\$ 563
Nonaccrual loans and leases as a % of total loans and leases	0.64 %	0.65 %
NPA ratio (2)	0.67	0.69

(1) Other nonperforming assets include certain impaired investment securities and/or nonaccrual loans held-for-sale.

(2) Nonperforming assets divided by the sum of loans and leases, other real estate owned, and other NPAs.

Total NPAs increased \$187 million, or 33%, compared with December 31, 2020, largely driven by the TCF acquisition.

ACL

Our ACL is comprised of two different components, both of which in our judgment are appropriate to absorb lifetime expected credit losses in our loan and lease portfolio: the ALLL and the AULC.

We use a statistically-based models that employ assumptions about current and future economic conditions throughout the contractual life of the loan. The process of estimating expected credit losses is based on three key parameters: PD, EAD, and LGD. Beyond the reasonable and supportable period (two to three years), the economic variables revert to a historical equilibrium at a pace dependent on the state of the economy reflected within the economic scenario.

These three parameters, PD, EAD, and LGD, are utilized to estimate the cumulative credit losses over the remaining expected life of the loan. We also consider the likelihood a previously charged-off account will be recovered. This calculation is dependent on how long ago the account was charged-off and future economic conditions, which estimate the likelihood and magnitude of recovery. Our models are developed using internal historical loss experience covering the full economic cycle and consider the impact of account characteristics on expected losses.

Future economic conditions consider multiple macroeconomic scenarios provided to us by an independent third party and are reviewed through the appropriate committee governance channels described below. These macroeconomic scenarios contain certain variables that are influential to our modeling process, the most significant being unemployment rates and GDP. The probability weights assigned to each scenario are generally expected to be consistent from period to period. Any changes in probability weights must be supported by appropriate documentation and approval of senior management. Additionally, we consider whether to adjust the modeled estimates to address possible limitations within the models or factors not captured within the macroeconomic scenarios. Lifetime losses for most of our loans and leases are evaluated collectively based on similar risk characteristics, risk ratings, origination credit bureau scores, delinquency status, and remaining months within loan agreements, among other factors.

The macroeconomic scenarios evaluated by Huntington during the 2021 fourth quarter continued to reflect the impact of the COVID-19 pandemic. The baseline scenario used at year-end assumes that the worst of the economic disruption from the pandemic has passed, with the expectation that subsequent waves of the virus will not carry the same level of economic disruption experienced to date. The unemployment variable is incorporated within our models as both a rate of change variable and an absolute level variable. Historically, changes in unemployment have taken gradual paths resulting in more measured impacts each quarter.

The table below is intended to show how the forecasted path of these key macroeconomic variables has changed since the end of 2020:

Table 9 - Forecasted Key Macroeconomic Variables

Baseline scenario forecast	2020	2021		2022	
	Q4	Q2	Q4	Q2	Q4
Unemployment rate (1)					
4Q 2020	7.2%	7.5%	7.2%	6.4%	5.5%
4Q 2021	N/A	N/A	4.5	3.7	3.5
Gross Domestic Product (1)					
4Q 2020	3.0%	3.8%	5.8%	4.4%	3.9%
4Q 2021	N/A	N/A	6.6	3.6	2.5

(1) Values reflect the baseline scenario forecast inputs for each period presented, not updated for subsequent actual amounts.

Management continues to assess the uncertainty in the macroeconomic environment, including uncertainty related to the COVID-19 pandemic, and considered multiple macroeconomic forecasts that reflected a range of possible outcomes in order to address such uncertainty. While we have incorporated estimates of economic uncertainty into our ACL, the ultimate impact the unprecedented levels of government fiscal and monetary actions will have on the economy, including inflation and our credit losses remain uncertain.

Management develops additional analytics to support adjustments to our modeled results. Our governance committees reviewed model results of each economic scenario for appropriate usage, concluding that the quantitative transactional reserve (collectively assessed) will continue to utilize scenario weighting. Given the uncertainty associated with key economic scenario assumptions, the December 31, 2021 ACL included a general reserve that consists of various risk profile components, including profiles related to the commercial real estate portfolio, to capture economic uncertainty not addressed within the quantitative transaction reserve.

Our ACL methodology committee is responsible for developing the methodology, assumptions and estimates used in the calculation, as well as determining the appropriateness of the ACL. The ALLL represents the estimate of lifetime expected losses in the loan and lease portfolio at the reported date. The loss modeling process uses an EAD concept to calculate total expected losses on both funded balances and unfunded lending commitments, where appropriate. Losses related to the unfunded lending commitments are then recorded as AULC within other liabilities in the Consolidated Balance Sheet. A liability for expected credit losses for off-balance sheet credit exposures is recognized if Huntington has a present contractual obligation to extend the credit and the obligation is not unconditionally cancelable.

The AULC is determined by applying the same quantitative reserve determination process to the unfunded portion of the loan exposures adjusted by an applicable funding expectation. (See Note 1 - "[Significant Accounting Policies](#)" of the Notes to Consolidated Financial Statements).

Our ACL evaluation process includes the on-going assessment of credit quality metrics, and a comparison of certain ACL benchmarks to current performance. The absolute level of the ACL balance increased year over year, driven by the impact of the TCF acquisition. However, all of the relevant allowance coverage ratios have improved from the prior year end, while still reflecting the level of uncertainty around the future macroeconomic environment resulting from the COVID-19 pandemic and indicated inflationary pressures. For further information, including the ALLL and AULC activity by portfolio segment, refer to Note 6 "Allowance for Credit Losses" of the Notes to Consolidated Financial Statements.

The table below reflects the allocation of our ALLL among our various loan categories and the reported ACL:

Table 10 - Allocation of Allowance for Credit Losses (1)

(dollar amounts in millions)

	December 31,			
	2021		2020	
ACL				
Commercial				
Commercial and industrial	\$ 832	37 %	\$ 879	40 %
Commercial real estate	586	14	297	9
Lease financing	44	4	60	3
Total commercial	1,462	55	1,236	52
Consumer				
Residential mortgage	145	17	79	15
Automobile	108	12	166	16
Home equity	88	9	124	11
RV and marine	105	5	129	5
Other consumer	122	2	80	1
Total consumer	568	45	578	48
Total ALLL	2,030	100 %	1,814	100 %
AULC	77		52	
Total ACL	\$ 2,107		\$ 1,866	
Total ALLL as % of:				
Total loans and leases		1.81 %		2.22 %
Nonaccrual loans and leases		284		341
NPAs		271		323
Total ACL as % of:				
Total loans and leases		1.88 %		2.29 %
Nonaccrual loans and leases		294		351
NPAs		281		332

(1) Percentages represent the percentage of each loan and lease category to total loans and leases.

At December 31, 2021, the ACL was \$2.1 billion or 1.88% of total loans and leases, compared to \$1.9 billion or 2.29% at December 31, 2020. The increase was primarily related to the TCF acquisition and associated allowance attributable to the acquired loans and leases and unfunded lending commitments, partially offset by improvement in the forecasted macroeconomic environment resulting from anticipated lower unemployment and higher GDP.

NCOs

A loan in any portfolio may be charged-off prior to the policies described below if a loss confirming event has occurred. Loss confirming events include, but are not limited to, bankruptcy (unsecured), continued delinquency, foreclosure, or receipt of an asset valuation indicating a collateral deficiency where that asset is the sole source of repayment. Additionally, discharged, collateral dependent non-reaffirmed debt in Chapter 7 bankruptcy filings will result in a charge-off to estimated collateral value, less anticipated selling costs at the time of discharge.

Commercial loans are either charged-off or written down to net realizable value by 90-days past due with the exception of administrative small ticket lease delinquencies. Automobile loans, RV and marine, and other consumer loans are generally fully charged-off at 120-days past due. First-lien and junior-lien home equity loans are charged-off to the estimated fair value of the collateral, less anticipated selling costs, at 150-days past due and 120-days past due, respectively. Residential mortgages are charged-off to the estimated fair value of the collateral, less anticipated selling costs, at 150-days past due. The remaining balance is in delinquent status until a modification can be completed, or the loan goes through the foreclosure process.

The following table reflects NCO detail:

Table 11 - Net Loan and Lease Charge-offs

(dollar amounts in millions)

	Year Ended December 31,		
	2021	2020	2019
Net charge-offs by loan and lease type:			
Commercial:			
Commercial and industrial	\$ 99	\$ 287	\$ 123
Commercial real estate:			
Construction	(1)	—	(2)
Commercial	18	43	(1)
Commercial real estate	17	43	(3)
Lease financing	44	12	5
Total commercial	160	342	125
Consumer:			
Residential mortgage	(1)	3	6
Automobile	(6)	33	32
Home equity	(5)	6	8
RV and marine	5	12	11
Other consumer	62	53	83
Total consumer	55	107	140
Total net charge-offs (1)	\$ 215	\$ 449	\$ 265
Net charge-offs - annualized percentages:			
Commercial:			
Commercial and industrial	0.27 %	0.91 %	0.44 %
Commercial real estate:			
Construction	(0.07)	(0.05)	(0.15)
Commercial	0.18	0.74	(0.02)
Commercial real estate	0.14	0.61	(0.05)
Lease financing	1.18	0.54	0.19
Total commercial	0.31	0.84	0.33
Consumer:			
Residential mortgage	—	0.03	0.06
Automobile	(0.05)	0.26	0.26
Home equity	(0.05)	0.07	0.08
RV and marine	0.10	0.31	0.31
Other consumer	4.84	4.84	6.62
Total consumer	0.12	0.28	0.37
Net charge-offs as a % of average loans (1)	0.22 %	0.57 %	0.35 %

(1) Net charge-offs and associated metrics for the year ended December 31, 2021 exclude \$80 million of charge-offs recognized immediately upon completion of the TCF acquisition and related to required purchase accounting treatment.

NCOs decreased \$234 million, or 52%, in 2021 compared to 2020. The decrease was evident across both the commercial and consumer portfolios. The commercial decrease was primarily a function of elevated losses associated within the oil and gas portfolio in 2020, while the consumer decrease was broad based due to positive portfolio performance throughout 2021.

Market Risk

Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices and commodity prices, including the correlation among these factors and their volatility. When the value of an instrument is tied to such external factors, the holder faces market risk. We are primarily exposed to interest rate risk as a result of offering a wide array of financial products to our customers and secondarily to price risk from trading securities, securities owned by our broker-dealer subsidiaries, foreign exchange positions, equity investments, and investments in securities backed by mortgage loans.

We measure market risk exposure via financial simulation models, which provide management with insights on the potential impact to net interest income and other key metrics as a result of changes in market interest rates. Models are used to simulate cash flows and accrual characteristics of the balance sheet based on assumptions regarding the slope or shape of the yield curve, the direction and volatility of interest rates, and the changing composition and characteristics of the balance sheet resulting from strategic objectives and customer behavior. Assumptions and models provide insight on forecasted balance sheet growth and composition, and the pricing and maturity characteristics of current and future business.

In measuring the financial risks associated with interest rate sensitivity in our balance sheet, we compare a set of alternative interest rate scenarios to the results of a base case scenario derived using market forward rates. The market forward reflects the market consensus regarding the future level and slope of the yield curve across a range of tenor points. The standard set of interest rate scenarios includes two types: “shock” scenarios which are instantaneous parallel rate shifts, and “ramp” scenarios where the parallel shift is applied gradually over the first 12 months of the forecast on a pro rata basis. In both shock and ramp scenarios with falling rates, we presume that market rates will not go below 0%. The scenarios are inclusive of all executed interest rate risk hedging activities. Forward starting hedges are included to the extent that they have been transacted and that they start within the measurement horizon.

Interest rate risk measurement is calculated and reported to the Board of Directors at least quarterly. A comprehensive discussion of risk management governance can be found in Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations and the “[Risk Governance](#)” section of this Form 10-K.

We use two approaches to model interest rate risk: Net interest income at risk (NII at risk) and economic value of equity at risk modeling sensitivity analysis (EVE at Risk).

Table 12 - Net Interest Income at Risk

Basis point change scenario	Net Interest Income at Risk (%)		
	-25	+100	+200
December 31, 2021	-2.4	4.6	8.9
December 31, 2020	-1.1	3.4	7.3

The NII at Risk results included in the table above reflect the analysis used monthly by management. It models gradual (“ramp” as defined above) +100 and +200 basis point parallel shifts in market interest rates, implied by the forward yield curve over the next twelve months as well as an instantaneous parallel shock of -25 basis points.

The NII at Risk shows that the balance sheet is asset sensitive at both December 31, 2021 and December 31, 2020. The increase in sensitivity is primarily driven by changes in market interest rate expectations, and the size and mix of the balance sheet.

Table 13 - Economic Value of Equity at Risk

Basis point change scenario	Economic Value of Equity at Risk (%)		
	-25	+100	+200
December 31, 2021	-0.1	-1.5	-5.6
December 31, 2020	-0.7	1.4	-0.1

The EVE results included in the table above reflect the analysis used monthly by management. It models immediate -25, +100 and +200 basis point parallel shifts (“shocks” as defined above) in market interest rates.

As of December 31, 2021, the EVE depicts a liability sensitive (long duration) balance sheet profile. The change in sensitivity from December 31, 2020 asset sensitive (short duration) position was driven primarily by changes in the spot market rate curve impacting forecasted runoff expectations, and the size and composition of the balance sheet as a result of the TCF acquisition.

We have LIBOR-based exposure in the form of variable rate loans, derivatives, Series B preferred stock, long term debt and other securities and financial arrangements. To address the discontinuance of LIBOR in its current form, we established a LIBOR transition team and project plan under the oversight of the CRO and CFO, providing periodic updates to the ROC. As of December 31, 2021, Huntington ceased issuance of new LIBOR loans. All legacy Huntington contracts that reference LIBOR have been reviewed to determine if fallback language is needed and legacy TCF contracts are in the review process. Remediation efforts coordinated by the LIBOR transition team will be complete by June of 2023. Source systems have been updated to support alternative reference rates. At this time alternative reference rates are predominantly SOFR based. As such, we have developed a SOFR-enabled interest rate risk monitoring framework and a strategy for managing interest rate risk during the transition from LIBOR to SOFR. We continue to monitor market developments and regulatory updates, including the recent announcements from the ICE Benchmark Administrator to extend the cessation date for several USD LIBOR tenors to June 30, 2023. For a discussion of the risks associated with the LIBOR transition to alternative reference rates, refer to "Item 1A: Risk Factors."

Use of Derivatives to Manage Interest Rate Risk

An integral component of our interest rate risk management strategy is the use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that we may use as part of our interest rate risk management strategy include interest rate swaps, caps and floors, forward contracts, and forward starting interest rate swaps.

Table 14 shows all swap and floor positions, and cap positions that existed at the prior year end, that are utilized for purposes of managing our exposures to the variability of interest rates. The interest rates variability may impact either the fair value of the assets and liabilities or impact the cash flows attributable to net interest margin. These positions are used to protect the fair value of asset and liabilities by converting the contractual interest rate on a specified amount of assets and liabilities (i.e., notional amounts) to another interest rate index. The positions are also used to hedge the variability in cash flows attributable to the contractually specified interest rate by converting the variable rate index into a fixed rate. The volume, maturity and mix of derivative positions change frequently as we adjust our broader interest rate risk management objectives and the balance sheet positions to be hedged. For further information, including the notional amount and fair values of these derivatives, refer to Note 20 "Derivative Financial Instruments" of the Notes to Consolidated Financial Statements.

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The following tables present additional information about the interest rate swaps and floors used in Huntington's asset and liability management activities at December 31, 2021 and interest rate swaps, caps and floors at December 31, 2020.

Table 14 - Weighted-Average Maturity, Receive Rate and LIBOR Reset Rate on Asset Liability Management Instruments

December 31, 2021					
<i>(dollar amounts in millions)</i>	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Fixed Rate	Weighted-Average Reset Rate
Asset conversion swaps					
Receive Fixed - Pay 1 month LIBOR	\$ 10,775	1.88	\$ 58	1.38 %	0.11 %
Pay Fixed - Receive 1 month LIBOR (1)	1,625	8.83	34	1.08	0.10
Pay Fixed - Receive SOFR	67	7.98	—	1.32	—
Pay Fixed - Receive 1 month LIBOR - forward starting	6,500	3.97	78	0.90	—
Pay Fixed - Receive SOFR - forward starting (3)	36	7.32	—	1.29	—
Liability conversion swaps					
Receive Fixed - Pay 1 month LIBOR	1,928	2.16	54	2.13	0.10
Basis swaps					
Pay SOFR- Receive Fed Fund (economic hedges) (4)	\$ 230	3.66	\$ —	0.08	0.06
Pay Fed Fund - Receive SOFR (economic hedges) (4)	41	0.98	—	0.05	0.08
Total swap portfolio	\$ 21,202		\$ 224		
December 31, 2021					
<i>(dollar amounts in millions)</i>	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Floor Strike	Weighted-Average Reset Rate
Interest rate floors					
Purchased Interest Rate Floors - 1 month LIBOR	\$ 375	0.06	\$ 2	1.93 %	0.10 %
Total floors portfolio	\$ 375		\$ 2		
December 31, 2020					
<i>(dollar amounts in millions)</i>	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Fixed Rate	Weighted-Average Reset Rate
Asset conversion swaps					
Receive Fixed - Pay 1 month LIBOR	\$ 6,525	2.03	\$ 231	1.81 %	0.15 %
Pay Fixed - Receive 1 month LIBOR (1)	3,076	1.99	3	0.17	0.15
Receive Fixed - Pay 1 month LIBOR - forward starting (4)	750	3.29	23	1.24	—
Pay Fixed - Receive 1 month LIBOR - forward starting (5)	408	9.08	2	0.68	—
Liability conversion swaps					
Receive Fixed - Pay 1 month LIBOR	5,397	2.02	262	2.28	0.15
Receive Fixed - Pay 3 month LIBOR	800	0.21	5	1.31	0.22
Basis swaps					
Pay SOFR- Receive Fed Fund (economic hedges) (3)	\$ 230	4.66	\$ —	0.09	0.10
Pay Fed Fund - Receive SOFR (economic hedges) (3)	41	1.98	—	0.09	0.09
Total swap portfolio	\$ 17,227		\$ 526		
December 31, 2020					
<i>(dollar amounts in millions)</i>	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Floor Strike	Weighted-Average Reset Rate
Interest rate floors					
Purchased Interest Rate Floors - 1 month LIBOR	\$ 7,200	0.37	\$ 59	1.81 %	0.15 %
Purchased Floor Spread - 1 month LIBOR	400	1.74	7	2.50 / 1.50	0.15
Purchased Floor Spread - 1 month LIBOR forward starting (6)	2,500	3.72	76	1.65 / 0.70	—
Purchased Floor Spread - 1 month LIBOR (economic hedges)	1,000	2.29	18	1.75 / 1.00	0.16
Interest rate caps					
Purchased Cap - 1 month LIBOR (economic hedges)	5,000	6.91	91	0.98	0.15
Total caps and floors portfolio	\$ 16,100		\$ 251		

- (1) Amounts include interest rate swaps as fair value hedges of fixed-rate investment securities using the last-of-layer method.
- (2) Forward starting swaps effective starting between June 2022 and February 2023.
- (3) Forward starting swaps effective starting January 2022.
- (4) Swaps have variable pay and variable receive resets. Weighted Average Fixed Rate column represents pay rate reset.
- (5) Forward starting swaps and caps effective starting in April 2021.
- (6) Forward starting swaps become effective starting from January 2021 to May 2021.
- (7) Forward starting floors become effective starting from March 2021 to June 2021.

Net interest income in 2021 was benefited by \$89 million mark-to-market of interest rate caps. The mark-to-market is not included in the NII at Risk calculations above. The interest rate caps were terminated in the 2021 second quarter.

MSRs

(This section should be read in conjunction with Note 7 - "[Mortgage Loan Sales and Servicing Rights](#)" of Notes to Consolidated Financial Statements.)

At December 31, 2021, we had a total of \$351 million of capitalized MSRs representing the right to service \$31.0 billion in mortgage loans.

MSR fair values are sensitive to movements in interest rates as expected future net servicing income depends on the projected outstanding principal balances of the underlying loans, which can be reduced by prepayments and declines in credit quality. Prepayments usually increase when mortgage interest rates decline and decrease when mortgage interest rates rise. We also employ hedging strategies to reduce the risk of MSR fair value changes or impairment. However, volatile changes in interest rates can diminish the effectiveness of these economic hedges. We report changes in the MSR value net of hedge-related trading activity in the mortgage banking income category of noninterest income.

MSR assets are included in servicing rights and other intangible assets in the Consolidated Financial Statements.

Price Risk

Price risk represents the risk of loss arising from adverse movements in the prices of financial instruments that are carried at fair value and are subject to fair value accounting. We have price risk from trading securities, securities owned by our broker-dealer subsidiaries, foreign exchange positions, derivative instruments, and equity investments. We have established loss limits on the trading portfolio, on the amount of foreign exchange exposure that can be maintained, and on the amount of marketable equity securities that can be held.

Liquidity Risk

Liquidity risk is the possibility of us being unable to meet current and future financial obligations in a timely manner. Liquidity is managed to ensure stable, reliable, and cost-effective sources of funds to satisfy demand for credit, deposit withdrawals and investment opportunities. We consider core earnings, strong capital ratios, and credit quality essential for maintaining high credit ratings, which allows us cost-effective access to market-based liquidity. We rely on a large, stable core deposit base and a diversified base of wholesale funding sources to manage liquidity risk. The Board of Directors approves the liquidity strategy and furthermore reviews the acceptable level of liquidity risk, policy, and procedures established by senior management. The ALCO is appointed by the ROC to oversee liquidity risk management and the establishment of liquidity risk policies and limits. Liquidity Risk is managed centrally by Corporate Treasury. Our liquidity position is evaluated daily, weekly, and monthly by analyzing the composition of all funding sources, reviewing projected liquidity commitments by future months, and identifying sources and uses of funds. The overall management of our liquidity position is also integrated into consumer and commercial pricing policies to ensure a stable core deposit base. Liquidity risk is reviewed and managed continuously for the Bank and the parent company, as well as its subsidiaries. In addition, liquidity working groups meet regularly to identify and monitor liquidity positions, provide policy guidance, review funding strategies, and oversee the adherence to, and maintenance of, the contingency funding plans.

Our primary source of liquidity is our core deposit base. Core deposits comprised approximately 98% of total deposits at December 31, 2021. We also have available unused wholesale sources of liquidity, including advances from the FHLB, issuance through dealers in the capital markets, and access to certificates of deposit issued through brokers. Liquidity is further provided by unencumbered, or unpledged, investment securities that totaled \$19.1 billion as of December 31, 2021. The treasury department also prepares a contingency funding plan that details the potential erosion of funds in the event of a systemic financial market crisis or institutional-specific stress scenario. An example of an institution specific event would be a downgrade in our public credit rating by a rating agency due to factors such as deterioration in asset quality, a large charge to earnings, a decline in profitability or other financial measures, or a significant merger or acquisition. Examples of systemic events unrelated to us that could have an effect on our access to liquidity would be terrorism or war, natural disasters, political events, or the default or bankruptcy of a major corporation, mutual fund or hedge fund. Similarly, market speculation or rumors about us, or the banking industry in general, may adversely affect the cost and availability of normal funding sources. The liquidity contingency plan therefore outlines the process for addressing a liquidity crisis. The plan provides for an evaluation of funding sources under various market conditions. It also assigns specific roles and responsibilities and communication protocols for effectively managing liquidity through a problem period.

Investment securities portfolio

(This section should be read in conjunction with Note 4 - [“Investment Securities and Other Securities”](#) of the Notes to Consolidated Financial Statements.)

Our investment securities portfolio is evaluated under established ALCO objectives. Changing market conditions could affect the profitability of the portfolio, as well as the level of interest rate risk exposure.

The weighted average yield by maturity of the held-to-maturity portfolio is presented on the following table:

Table 15 - Held-to-maturity Securities Weighted Average Yield by Maturity

	At December 31, 2021				
	1 year or less Yield (1)	After 1 year through 5 years Yield (1)	After 5 years through 10 years Yield (1)	After 10 years Yield (1)	Total Yield (1)
<i>(dollar amounts in millions)</i>					
Held-to-maturity securities, at cost:					
Federal agencies:					
Residential CMO	— %	2.44 %	— %	2.05 %	2.06 %
Residential MBS	—	—	—	1.86	1.86
Commercial MBS	—	—	2.77	2.93	2.92
Other agencies	1.92	2.47	2.72	2.52	2.50
Total Federal agencies and other agencies	1.92	2.46	2.75	2.09	2.10
Municipal securities	—	—	—	2.63	2.63
Total held-to-maturity securities	1.92 %	2.46 %	2.75 %	2.09 %	2.10 %

(1) Weighted average yields were calculated using amortized cost on a fully-taxable equivalent basis, assuming a 21% tax rate where applicable.

Bank Liquidity and Sources of Funding

Our primary sources of funding for the Bank are consumer and commercial core deposits. At December 31, 2021, these core deposits funded 80% of total assets (125% of total loans). Other sources of liquidity include non-core deposits, FHLB advances, wholesale debt instruments, and securitizations. Demand deposit overdrafts that have been reclassified as loan balances were \$29 million and \$14 million at December 31, 2021 and December 31, 2020, respectively.

The following table reflects deposit composition detail:

Table 16 - Deposit Composition

<i>(dollar amounts in millions)</i>	At December 31,			
	2021		2020	
By Type:				
Demand deposits—noninterest-bearing	\$ 43,236	30 %	\$ 28,553	29 %
Demand deposits—interest-bearing	39,837	28	26,757	27
Money market deposits	32,522	23	26,248	27
Savings and other domestic deposits	21,088	15	11,722	12
Core certificates of deposit (1)	2,740	2	1,425	1
Total core deposits:	139,423	98	94,705	96
Other domestic deposits of \$250,000 or more	359	—	131	—
Negotiable CDs, brokered and other deposits	3,481	2	4,112	4
Total deposits	\$ 143,263	100 %	\$ 98,948	100 %
Total core deposits:				
Commercial	\$ 61,521	44 %	\$ 44,698	47 %
Consumer	77,902	56	50,007	53
Total core deposits	\$ 139,423	100 %	\$ 94,705	100 %

(1) Includes consumer certificates of deposit of \$250,000 or more.

The following table reflects consolidated Huntington Bancshares Incorporated amounts. Uninsured deposits are defined as the portion of deposit accounts in U.S. offices that exceed the FDIC insurance limit or similar state deposit insurance regimes and amounts in any other uninsured investment or deposit accounts that are classified as deposits and not subject to any federal or state deposit insurance regimes.

Table 17 - Uninsured deposits

<i>(dollar amounts in millions)</i>	At December 31,	
	2021	2020
Uninsured deposits (1)	\$ 48,869	\$ 35,414

(1) Uninsured deposits were determined by adjusting the amounts reported in the Bank Call Report to arrive at consolidated Huntington Bancshares Incorporated.

<i>(dollar amounts in millions)</i>	At December 31, 2021				
	3 months or less	3 months to 6 months	6 months to 12 months	12 months or more	Total
Portion of U.S. time deposits in excess of insurance limit	\$ 162	\$ 114	\$ 75	\$ 36	\$ 387

The Bank maintains borrowing capacity at the FHLB and the Federal Reserve Bank Discount Window. The Bank does not consider borrowing capacity from the Federal Reserve Bank Discount Window as a primary source of liquidity. Total loans and securities pledged to the Federal Reserve Bank Discount Window and the FHLB are \$70.1 billion and \$53.4 billion at December 31, 2021 and December 31, 2020, respectively.

At December 31, 2021, the market value of investment securities pledged to secure public and trust deposits, trading account liabilities, U.S. Treasury demand notes, and security repurchase agreements totaled \$21.7 billion. There were no securities of a single issuer, which are not governmental or government-sponsored, that exceeded 10% of shareholders' equity at December 31, 2021.

To the extent we are unable to obtain sufficient liquidity through core deposits, we may meet our liquidity needs through sources of wholesale funding, asset securitization or sale. Sources of wholesale funding include other domestic deposits of \$250,000 or more, negotiable CDs, brokered and other deposits, short-term borrowings, and long-term debt. Our wholesale funding for both the Bank and parent company totaled \$11.3 billion at December 31, 2021, compared to \$12.8 billion at December 31, 2020. The decrease from the prior year-end primarily relates to a decrease in long-term debt.

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The Bank may issue long-term debt pursuant to an authorization from the Bank's board of directors that allows for the periodic issuance of senior and/or subordinated debt securities with fixed or floating interest rates. The aggregate principal amount of the debt securities available for issuance is capped by the board authorization and is reviewed periodically for adjustment.

At December 31, 2021, we believe the Bank has sufficient liquidity and capital resources to meet its cash flow obligations over the next 12 months and for the foreseeable future.

The following table reflects the composition and maturities of the loan and lease portfolio:

Table 18 - Maturity Schedule of Loans and leases

<i>(dollar amounts in millions)</i>	December 31, 2021					Total	Percent of total
	One Year or Less	One to Five Years	Five to Fifteen Years	After Fifteen Years			
Commercial:							
Commercial and industrial	\$ 11,581	\$ 23,891	\$ 5,548	\$ 668	\$ 41,688		37 %
Commercial real estate	2,778	9,124	2,979	80	14,961		14 %
Lease financing	500	3,533	711	256	5,000		4 %
Total commercial	14,859	36,548	9,238	1,004	61,649		55 %
Consumer:							
Residential mortgage	16	94	2,108	17,038	19,256		17 %
Automobile	196	7,793	5,398	47	13,434		12 %
Home equity	282	575	2,074	7,619	10,550		9 %
RV and marine	1	97	3,127	1,833	5,058		5 %
Other consumer	563	1,092	219	99	1,973		2 %
Total consumer	1,058	9,651	12,926	26,636	50,271		45 %
Total loans and leases	\$ 15,917	\$ 46,199	\$ 22,164	\$ 27,640	\$ 111,920		100 %
Percent of total	14 %	41 %	20 %	25 %	100 %		

The following table reflects the loans and leases due after one year:

Table 21 - Loans and leases due after one year

<i>(dollar amounts in millions)</i>	Interest rate	
	Fixed	Floating or Adjustable
Commercial:		
Commercial and industrial	\$ 10,965	\$ 19,142
Commercial real estate	1,530	10,653
Lease financing	4,500	—
Total commercial	16,995	29,795
Consumer:		
Residential mortgage	9,685	9,555
Automobile	13,238	—
Home equity	2,383	7,885
RV and marine finance	5,057	—
Other consumer	677	733
Total consumer	31,040	18,173
Total loans and leases	\$ 48,035	\$ 47,968

Parent Company Liquidity

The parent company's funding requirements consist primarily of dividends to shareholders, debt service, income taxes, operating expenses, funding of nonbank subsidiaries, repurchases of our stock, and acquisitions. The parent company obtains funding to meet obligations from dividends and interest received from the Bank, interest and dividends received from direct subsidiaries, net taxes collected from subsidiaries included in the federal consolidated tax return, fees for services provided to subsidiaries, and the issuance of debt securities.

During the 2021 first quarter, Huntington issued \$500 million of Series H Preferred Stock. On June 9, 2021, each share of TCF's Series C Non-Cumulative Perpetual Preferred Stock was converted into a share of Series I Preferred Stock of Huntington having substantially the same terms as TCF's preferred stock. See Note 13 - "[Shareholders' Equity](#)" of the Notes to Consolidated Financial Statements for more information

At December 31, 2021 and December 31, 2020, the parent company had \$2.8 billion and \$4.5 billion, respectively, in cash and cash equivalents.

On January 19, 2022, our Board of Directors declared a quarterly common stock cash dividend of \$0.155 per common share. The dividend is payable on April 1, 2022, to shareholders of record on March 18, 2022. Based on the current quarterly dividend of \$0.155 per common share, cash demands required for common stock dividends are estimated to be approximately \$223 million per quarter. On January 19, 2022, our Board of Directors declared a quarterly Series B, Series E, Series F, Series G and Series H Preferred Stock dividend payable on April 15, 2022 to shareholders of record on April 1, 2022. On December 9, 2022, our Board of Directors declared a quarterly dividend for the Series I Preferred Stock payable on March 1, 2022 to shareholders of record on February 15, 2022. Total cash demands required for Series B, Series E, Series F, Series G, Series H and Series I Preferred Stock are expected to be approximately \$28 million per quarter.

During 2021, the Bank paid preferred and common dividends to the parent company of \$45 million and \$1.3 billion, respectively. To meet any additional liquidity needs, the parent company may issue debt or equity securities. To support the parent company's ability to issue debt or equity securities, we have filed with the SEC an automatic shelf registration statement covering an indeterminate amount or number of securities to be offered or sold from time to time as authorized by the Huntington's Board of Directors.

Off-Balance Sheet Arrangements

In the normal course of business, we enter into various off-balance sheet arrangements. These arrangements include commitments to extend credit, interest rate swaps, caps and floors, financial guarantees contained in standby letters-of-credit issued by the Bank, and commitments by the Bank to sell mortgage loans.

COMMITMENTS TO EXTEND CREDIT

Commitments to extend credit generally have fixed expiration dates, are variable-rate, and contain clauses that permit Huntington to terminate or otherwise renegotiate the contracts in the event of a significant deterioration in the customer's credit quality. These arrangements normally require the payment of a fee by the customer, the pricing of which is based on prevailing market conditions, credit quality, probability of funding, and other relevant factors. Since many of these commitments are expected to expire without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements. The interest rate risk arising from these financial instruments is insignificant as a result of their predominantly short-term, variable-rate nature. See Note 22 - "[Commitments and Contingent Liabilities](#)" of the Notes to Consolidated Financial Statements for more information.

STANDBY LETTERS-OF-CREDIT

Standby letters-of-credit are conditional commitments issued to guarantee the performance of a customer to a third-party. These guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Most of these arrangements mature within two years and are expected to expire without being drawn upon. Standby letters-of-credit are included in the determination of the amount of risk-based capital that the parent company and the Bank are required to hold. Through our credit process, we monitor the credit risks of outstanding standby letters-of-credit. When it is probable that a standby letter-of-credit will be drawn and not repaid in full, a loss is recognized in the provision for credit losses. See Note 22 - "[Commitments and Contingent Liabilities](#)" of the Notes to Consolidated Financial Statements for more information.

COMMITMENTS TO SELL LOANS

Activity related to our mortgage origination activity supports the hedging of the mortgage pricing commitments to customers and the secondary sale to third parties. In addition, we have commitments to sell residential real estate loans. These contracts mature in less than one year. See Note 22 - "[Commitments and Contingent Liabilities](#)" of the Notes to Consolidated Financial Statements for more information.

Contractual obligations, including off-balance sheet arrangements are properly considered in our liquidity risk management process. At December 31, 2021, we believe the Company has sufficient liquidity and capital resources to meet its cash flow obligations over the next 12 months and for the foreseeable future.

Table 20 - Contractual Obligations (1)

(dollar amounts in millions)

	At December 31, 2021				
	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Deposits without a stated maturity	\$ 139,348	\$ —	\$ —	\$ —	\$ 139,348
Certificates of deposit and other time deposits	3,438	393	84	—	3,915
Short-term borrowings	334	—	—	—	334
Long-term debt	1,415	2,472	1,253	1,863	7,003
Operating lease obligations	64	115	79	263	521
Purchase commitments	136	152	58	91	437

(1) Amounts do not include associated interest payments.

Operational Risk

Operational risk is the risk of loss due to human error, third-party performance failures, inadequate or failed internal systems and controls, including the use of financial or other quantitative methodologies that may not adequately predict future results; violations of, or noncompliance with, laws, rules, regulations, prescribed practices, or ethical standards; and external influences such as market conditions, fraudulent activities, disasters, failed business contingency plans, and security risks. We continuously strive to strengthen our system of internal controls to ensure compliance with significant contracts, agreements, laws, rules, and regulations, and to improve the oversight of our operational risk.

We actively monitor cyberattacks such as attempts related to online deception and loss of sensitive customer data. We evaluate internal systems, processes and controls to mitigate loss from cyber-attacks and, to date, have not experienced any material losses. Cybersecurity threats have increased, primarily through phishing campaigns. We are actively monitoring our email gateways for malicious phishing email campaigns. We have also increased our cybersecurity and fraud monitoring activities through the implementation of specific monitoring of remote connections by geography and volume of connections to detect anomalous remote logins, since a significant portion of our workforce is now working remotely.

Our objective for managing cyber security risk is to avoid or minimize the impacts of external threat events or other efforts to penetrate our systems. We work to achieve this objective by hardening networks and systems against attack, and by diligently managing visibility and monitoring controls within our data and communications environment to recognize events and respond before the attacker has the opportunity to plan and execute on its own goals. To this end we employ a set of defense in-depth strategies, which include efforts to make us less attractive as a target and less vulnerable to threats, while investing in threat analytic capabilities for rapid detection and response. Potential concerns related to cyber security may be escalated to our board-level Technology Committee, as appropriate. As a complement to the overall cyber security risk management, we use a number of internal training methods, both formally through mandatory courses and informally through written communications and other updates. Internal policies and procedures have been implemented to encourage the reporting of potential phishing attacks or other security risks. We also use third-party services to test the effectiveness of our cyber security risk management framework, and any such third parties are required to comply with our policies regarding information security and confidentiality.

To mitigate operational risks, we have an Operational Risk Committee, a Legal, Regulatory, and Compliance Committee, a Funds Movement Committee, and a Third Party Risk Management Committee. The responsibilities of these committees, among other duties, include establishing and maintaining management information systems to monitor material risks and to identify potential concerns, risks, or trends that may have a significant impact and ensuring that recommendations are developed to address the identified issues. In addition, we have a Model Risk Oversight Committee that is responsible for policies and procedures describing how model risk is evaluated and managed and the application of the governance process to implement these practices throughout the enterprise. These committees report any significant findings and remediation recommendations to the Risk Management Committee. Potential concerns may be escalated to our ROC and our Audit Committee, as appropriate. Significant findings or issues are escalated by the Third Party Risk Management Committee to the Technology Committee of the Board, as appropriate.

The goal of this framework is to implement effective operational risk-monitoring; minimize operational, fraud, and legal losses; minimize the impact of inadequately designed models and enhance our overall performance.

Compliance Risk

Financial institutions are subject to many laws, rules, and regulations at both the federal and state levels. These broad-based laws, rules, and regulations include, but are not limited to, expectations relating to anti-money laundering, lending limits, client privacy, fair lending, prohibitions against unfair, deceptive or abusive acts or practices, protections for military members as they enter active duty, and community reinvestment. The volume and complexity of recent regulatory changes have increased our overall compliance risk. As such, we utilize various resources to help ensure expectations are met, including a team of compliance experts dedicated to ensuring our conformance with all applicable laws, rules, and regulations. Our colleagues receive training for several broad-based laws and regulations including, but not limited to, anti-money laundering and customer privacy. Additionally, colleagues engaged in lending activities receive training for laws and regulations related to flood disaster protection, equal credit opportunity, fair lending, and/or other courses related to the extension of credit. We set a high standard of expectation for adherence to compliance management and seek to continuously enhance our performance.

Capital

(This section should be read in conjunction with the [“Regulatory Matters”](#) section included in Part I, Item 1: Business and Note 23 - [“Other Regulatory Matters”](#) of the Notes to Consolidated Financial Statements.)

Both regulatory capital and shareholders’ equity are managed at the Bank and on a consolidated basis. We have an active program for managing capital and maintain a comprehensive process for assessing the Company’s overall capital adequacy. We believe our current levels of both regulatory capital and shareholders’ equity are adequate.

The U.S. federal banking regulatory agencies have permitted BHCs and banks to phase-in, for regulatory capital purposes, the day-one impact of the CECL accounting rule on retained earnings over a period of three years. As part of its response to the impact of COVID-19, the U.S. federal banking regulatory agencies issued a final rule that provides the option to temporarily delay certain effects of CECL on regulatory capital for two years, followed by a three-year transition period. The final rule allows BHCs and banks to delay for two years 100% of the day-one impact of adopting CECL and 25% of the cumulative change in the reported allowance for credit losses since adopting CECL. The cumulative impact of the two-year delay will be phased-in over the three-year transition period. We have elected to adopt the final rule, which is reflected in the regulatory capital data presented below.

Regulatory Capital

We are subject to the Basel III capital requirements including the standardized approach for calculating risk-weighted assets in accordance with subpart D of the final capital rule. The following table presents risk-weighted assets and other financial data necessary to calculate certain financial ratios, including CET1, which we use to measure capital adequacy.

Table 21 - Capital Under Current Regulatory Standards (Basel III)

	At December 31,	
	2021	2020
<i>(dollar amounts in millions)</i>		
CET 1 risk-based capital ratio:		
Total shareholders' equity	\$ 19,297	12,992
Regulatory capital adjustments:		
CECL transitional amount (1)	437	453
Shareholders' preferred equity and related surplus	(2,177)	(2,196)
Accumulated other comprehensive loss (income) offset	230	(192)
Goodwill and other intangibles, net of taxes	(5,484)	(2,107)
Deferred tax assets that arise from tax loss and credit carryforwards	(54)	(63)
CET 1 capital	12,249	8,887
Additional tier 1 capital		
Shareholders' preferred equity and related surplus	2,177	2,196
Tier 1 capital	14,426	11,083
Long-term debt and other tier 2 qualifying instruments	1,539	660
Qualifying allowance for loan and lease losses	1,281	1,113
Total risk-based capital	\$ 17,246	\$ 12,856
RWA	\$ 131,266	\$ 88,878
CET 1 risk-based capital ratio	9.33 %	10.00 %
Other regulatory capital data:		
Tier 1 risk-based capital ratio	10.99	12.47
Total risk-based capital ratio	13.14	14.46
Tier 1 leverage ratio	8.56	9.32

(1) Reflects Huntington's election of a five-year transition of CECL on regulatory capital. The CECL transitional amount includes the impact of Huntington's adoption of the CECL accounting standard on January 1, 2020 and 25% of the cumulative change in the reported allowance for credit losses since adopting CECL, excluding the allowance established at acquisition for purchased credit deteriorated loans.

Table 22 - Capital Adequacy—Non-Regulatory (Non-GAAP)

	At December 31,	
	2021	2020
<i>(dollar amounts in millions)</i>		
Consolidated capital calculations:		
Total shareholders' equity	\$ 19,297	\$ 12,993
Goodwill and other intangible assets	(5,591)	(2,181)
Deferred tax liability on other intangible assets (1)	51	40
Total tangible equity	13,757	10,852
Preferred equity	(2,167)	(2,191)
Total tangible common equity	\$ 11,590	\$ 8,661
Total assets	\$ 174,064	\$ 123,038
Goodwill and other intangible assets	(5,591)	(2,181)
Deferred tax liability on other intangible assets (1)	51	40
Total tangible assets	\$ 168,524	\$ 120,897
Tangible equity / tangible asset ratio	8.16 %	8.98 %
Tangible common equity / tangible asset ratio	6.88	7.16
Tangible common equity / RWA ratio	8.83	9.74

(1) Deferred tax liability related to other intangible assets is calculated at a 21% tax rate.

The following table presents certain regulatory capital data at both the consolidated and Bank levels for each of the periods presented:

Table 23 - Regulatory Capital Data (1)

<i>(dollar amounts in millions)</i>		Basel III	
		At December 31,	
		2021	2020
Total risk-weighted assets	Consolidated	\$ 131,266	\$ 88,878
	Bank	130,597	88,601
CET 1 risk-based capital	Consolidated	12,249	8,887
	Bank	13,261	9,438
Tier 1 risk-based capital	Consolidated	14,426	11,083
	Bank	14,445	10,601
Tier 2 risk-based capital	Consolidated	2,821	1,774
	Bank	1,982	1,431
Total risk-based capital	Consolidated	17,246	12,856
	Bank	16,427	12,032
CET 1 risk-based capital ratio	Consolidated	9.33 %	10.00 %
	Bank	10.15	10.65
Tier 1 risk-based capital ratio	Consolidated	10.99	12.47
	Bank	11.06	11.97
Total risk-based capital ratio	Consolidated	13.14	14.46
	Bank	12.58	13.58
Tier 1 leverage ratio	Consolidated	8.56	9.32
	Bank	8.60	8.94

(1) Capital ratios reflect Huntington's election of a five-year transition of CECL on regulatory capital. The CECL transition amount includes the impact of Huntington's adoption of the new CECL accounting standards on January 1, 2020 and 25% for the cumulative change in the reported ACL since adopting CECL, excluding the allowance established at acquisition for purchased credit deteriorated loans.

At December 31, 2021, we maintained Basel III capital ratios in excess of the well-capitalized standards established by the FRB. The decrease in regulatory capital ratios was driven by the repurchase of \$650 million of common stock during 2021 and cash dividends, partially offset by earnings. The balance sheet growth as a result of the TCF acquisition was largely offset by the common stock issued related to the acquisition, net of goodwill and other intangibles, as both are deducted from capital in the ratio calculation. The change in regulatory Tier 1 risk-based capital and total risk-based capital ratios for 2021 also reflect the issuance of \$500 million of Series H preferred stock and the issuance of \$175 million of Series I preferred stock resulting from the conversion of TCF preferred stock, partially offset by the redemption of \$600 million of Series D preferred stock and \$100 million of Series C preferred stock. Additionally, the total risk-based capital ratio reflects the issuance of \$558 million of subordinated notes in 2021.

Shareholders' Equity

We generate shareholders' equity primarily through the retention of earnings, net of dividends and share repurchases. Other potential sources of shareholders' equity include issuances of common and preferred stock. Our objective is to maintain capital at an amount commensurate with our risk appetite and risk tolerance objectives, to meet both regulatory and market expectations, and to provide the flexibility needed for future growth and business opportunities.

Shareholders' equity totaled \$19.3 billion at December 31, 2021 an increase of \$6.3 billion or 49% when compared with December 31, 2020, primarily due to the \$7.2 billion of equity issued in conjunction with the acquisition of TCF.

On February 2, 2021, Huntington issued \$500 million of preferred stock. Huntington issued 20,000,000 depositary shares, each representing a 1/40th ownership interest in a share of 4.50% Series H Non-Cumulative Perpetual Preferred Stock (Preferred H Stock), par value \$0.01 per share, with a liquidation preference of \$1,000 per share (equivalent to \$25 per depositary share).

On June 9, 2021, each share of TCF Financial Corporation 5.70% Series C Non-Cumulative Perpetual Preferred Stock outstanding immediately prior to acquisition of TCF Financial Corporation was converted into the right to receive a share of the newly created Huntington 5.70% Series I Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share.

On July 15, 2021, all 24,000,000 outstanding depository shares, each representing 1/40th interest in a share of Huntington's 6.250% Series D Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, were redeemed.

On October 15, 2021, all 4,000,000 outstanding depository shares, each representing a 1/40th interest in a share of Huntington's 5.875% Series C Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, were redeemed.

We were notified by the FRB on August 5, 2021 that Huntington's SCB requirement would be unchanged at 2.5%, which is the minimum under the SCB framework. Huntington is authorized to make capital distributions that are consistent with the requirements in the FRB's capital rule, inclusive of the 2.5% SCB requirement.

Dividends

We consider disciplined capital management as a key objective, with dividends representing one component. Our strong capital positions us to take advantage of additional capital management opportunities.

Share Repurchases

From time to time the Board of Directors authorizes the Company to repurchase shares of our common stock. Although we announce when our Board authorizes share repurchases, we typically do not give any public notice before we repurchase our shares. Future stock repurchases may be private or open-market repurchases, including block transactions, accelerated or delayed block transactions, forward transactions, and similar transactions. Various factors determine the amount and timing of our share repurchases, including our capital requirements, the number of shares we expect to issue for employee benefit plans and acquisitions, market conditions (including the trading price of our stock), and regulatory and legal considerations.

On July 21, 2021, our Board authorized the repurchase of up to \$800 million of common shares within the four quarter period from the third quarter of 2021 through the second quarter of 2022. Purchases of common stock under the authorization may include open market purchases, privately negotiated transactions, and accelerated share repurchase programs. During the 2021, Huntington repurchased a total of \$650 million of common stock, representing 43.1 million common shares, at a weighted average price of \$15.07.

BUSINESS SEGMENT DISCUSSION

Overview

Our business segments are based on our internally-aligned segment leadership structure, which is how we monitor results and assess performance. We have four major business segments: Commercial Banking, Consumer and Business Banking, Vehicle Finance, and Regional Banking and The Huntington Private Client Group (RBHPCG). The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

Business segment results are determined based upon our management practices, which assigns balance sheet and income statement items to each of the business segments. The process is designed around our organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions.

For a discussion of business segment trends for 2020 versus 2019, see "Part II, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations" Business Segment Discussion included in our 2020 Form 10-K, filed with the SEC on February 26, 2021.

Revenue Sharing

Revenue is recorded in the business segment responsible for the related product or service. Fee sharing is recorded to allocate portions of such revenue to other business segments involved in selling to, or providing service to customers. Results of operations for the business segments reflect these fee sharing allocations.

Expense Allocation

The management process that develops the business segment reporting utilizes various estimates and allocation methodologies to measure the performance of the business segments. Expenses are allocated to business segments using a two-phase approach. The first phase consists of measuring and assigning unit costs (activity-based costs) to activities related to product origination and servicing. These activity-based costs are then extended, based on volumes, with the resulting amount allocated to business segments that own the related products. The second phase consists of the allocation of overhead costs to all four business segments from Treasury / Other. We utilize a full-allocation methodology, where all Treasury / Other expenses, except reported acquisition-related expenses, if any, and a small amount of other residual unallocated expenses, are allocated to the four business segments.

Funds Transfer Pricing (FTP)

We use an active and centralized FTP methodology to attribute appropriate net interest income to the business segments. The intent of the FTP methodology is to transfer interest rate risk from the business segments by providing matched duration funding of assets and liabilities. The result is to centralize the financial impact, management, and reporting of interest rate risk in the Treasury / Other function where it can be centrally monitored and managed. The Treasury / Other function charges (credits) an internal cost of funds for assets held in (or pays for funding provided by) each business segment. The FTP rate is based on prevailing market interest rates for comparable duration assets (or liabilities).

Net Income (Loss) by Business Segment

Net income (loss) by business segment for the past three years is presented in the following table:

Table 24 - Net Income (Loss) by Business Segment

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Commercial Banking	\$ 798	\$ 78	\$ 553
Consumer and Business Banking	\$ 308	\$ 270	\$ 635
Vehicle Finance	319	120	172
RBHPCG	55	85	113
Treasury / Other	(185)	264	(62)
Net income	\$ 1,295	\$ 817	\$ 1,411

Commercial Banking

Table 25 - Key Performance Indicators for Commercial Banking

<i>(dollar amounts in millions unless otherwise noted)</i>	Year Ended December 31,		Change from 2020		2019
	2021	2020	Amount	Percent	
Net interest income	\$ 1,284	\$ 903	\$ 381	42 %	\$ 1,037
Provision for credit losses	4	626	(622)	(99)	132
Noninterest income	523	364	159	44	359
Noninterest expense	791	542	249	46	564
Provision for income taxes	212	21	191	910	147
Income attributable to non-controlling interest	2	—	2	100	—
Net income	\$ 798	\$ 78	\$ 720	923 %	\$ 553
Number of employees (average full-time equivalent)	1,754	1,276	478	37 %	1,317
Total average assets	\$ 44,427	\$ 35,490	\$ 8,937	25	\$ 33,843
Total average loans/leases	38,092	27,234	10,858	40	27,151
Total average deposits	29,351	23,321	6,030	26	21,072
Net interest margin	3.15 %	3.04 %	0.11 %	4	3.49 %
NCOs	\$ 119	\$ 302	(183)	(61)	\$ 93
NCOs as a % of average loans and leases	0.31 %	1.11 %	(0.80)%	(72)	0.34 %

Commercial Banking reported net income of \$798 million in 2021, an increase of \$720 million, compared to the year ago period. Segment net interest income increased \$381 million, or 42%, primarily due to an increase in average loans and leases reflecting the impact of the TCF acquisition and an 11 basis point increase in net interest margin driven by an increase in loan spread inclusive of purchase accounting accretion, partially offset by the continued decline in the benefit of deposits. The provision for credit losses decreased \$622 million, or 99%, primarily due to changes in the forecasted economic outlook compared to the year-ago period, partially offset by the TCF acquisition initial provision for credit losses. Noninterest income increased \$159 million, or 44%, reflecting the impact of the TCF acquisition, purchase accounting accretion from acquired unfunded loan commitments, an increase in capital markets fees reflecting an increase in market activity and improvement in business conditions, increased mezzanine investment income and an increase in leasing revenue reflecting higher gains on terminations and sales. Noninterest expense increased \$249 million, or 46%, primarily due to personnel expense and lease financing equipment depreciation as a result of the TCF acquisition.

Consumer and Business Banking

Table 26 - Key Performance Indicators for Consumer and Business Banking

<i>(dollar amounts in millions unless otherwise noted)</i>	Year Ended December 31,		Change from 2020		2019
	2021	2020	Amount	Percent	
Net interest income	\$ 1,667	\$ 1,436	\$ 231	16 %	\$ 1,766
Provision for credit losses	91	265	(174)	(66)	114
Noninterest income	1,045	945	100	11	825
Noninterest expense	2,231	1,774	457	26	1,673
Provision for income taxes	82	72	10	14	169
Net income	\$ 308	\$ 270	\$ 38	14 %	\$ 635
Number of employees (average full-time equivalent)	9,211	7,908	1,303	16 %	8,000
Total average assets	\$ 36,617	\$ 28,853	\$ 7,764	27	\$ 25,411
Total average loans/leases	31,436	25,453	5,983	24	22,130
Total average deposits	81,289	56,960	24,329	43	51,645
Net interest margin	2.02 %	2.48 %	(0.46)%	(19)	3.37 %
NCOs	\$ 96	\$ 102	(6)	(6)	\$ 128
NCOs as a % of average loans and leases	0.31 %	0.40 %	(0.09)%	(23)	0.58 %

Consumer and Business Banking, including Home Lending, reported net income of \$308 million in 2021, an increase of \$38 million, or 14%, compared with net income of \$270 million in 2020. Segment net interest income increased \$231 million, or 16%, primarily due to an increase in average loans and leases reflecting the impact of the TCF acquisition and PPP revenue, partially offset by a 46 basis point decrease in net interest margin driven by a decrease in loan margin and the continued decline in the benefit of deposits. The provision for credit losses decreased \$174 million, or 66%, primarily due to changes in the forecasted economic outlook compared to the year-ago period, partially offset by the TCF acquisition initial provision for credit losses. Noninterest income increased \$100 million, or 11%, primarily due to higher interchange income and service charge income resulting from the TCF acquisition in addition to reduced customer activity and fee-waivers as a result of the pandemic in the beginning of the prior year period and a gain from branch divestiture, partially offset by decreased mortgage banking income. Noninterest expense increased \$457 million, or 26%, primarily due to the impact of the TCF acquisition, in addition to increased allocated expense and personnel costs due to higher levels of production and origination volume.

Home Lending, an operating unit of Consumer and Business Banking, reflects the result of the origination, sale, and servicing of mortgage loans less referral fees and net interest income for mortgage banking products distributed by the retail branch network and other business segments. Home Lending reported net income of \$3 million in 2021, compared with \$78 million in the prior year. Noninterest income decreased \$93 million, driven primarily by decreased spreads on salable originations, partially offset by higher salable originations. Noninterest expense increased \$42 million due primarily to higher personnel expense as a result of the TCF acquisition and higher origination volumes.

Vehicle Finance

Table 27 - Key Performance Indicators for Vehicle Finance

	Year Ended December 31,		Change from 2020		2019
	2021	2020	Amount	Percent	
<i>(dollar amounts in millions unless otherwise noted)</i>					
Net interest income	\$ 468	\$ 430	\$ 38	9 %	\$ 397
Provision for credit losses	(86)	146	(232)	(159)	44
Noninterest income	13	9	4	44	12
Noninterest expense	163	141	22	16	148
Provision for income taxes	85	32	53	166	45
Net income	\$ 319	\$ 120	\$ 199	166 %	\$ 172
Number of employees (average full-time equivalent)	262	266	(4)	(2)%	265
Total average assets	\$ 19,787	\$ 19,760	\$ 27	—	\$ 19,393
Total average loans/leases	20,028	19,939	89	—	19,466
Total average deposits	1,161	653	508	78	333
Net interest margin	2.33 %	2.15 %	0.18 %	8	2.04 %
NCOs	\$ (1)	\$ 45	\$ (46)	(102)	\$ 43
NCOs as a % of average loans and leases	— %	0.23 %	(0.23)%	(100)	0.22 %

Vehicle Finance reported net income of \$319 million in 2021, an increase of \$199 million, or 166%, compared with net income of \$120 million in 2020. Segment net interest income increased \$38 million or 9%, primarily due to an 18 basis point increase in the net interest margin. The provision for credit losses decreased \$232 million to a benefit of \$86 million, primarily due to strong credit performance and improvement in the economic outlook as compared to the year ago period. Noninterest income increased \$4 million, or 44%, primarily due to increases in fee income from commercial relationships. Noninterest expense increased \$22 million, or 16%, primarily attributable to higher production related costs.

Regional Banking and The Huntington Private Client Group

Table 28 - Key Performance Indicators for Regional Banking and The Huntington Private Client Group

	Year Ended December 31,		Change from 2020		2019
	2021	2020	Amount	Percent	
<i>(dollar amounts in millions unless otherwise noted)</i>					
Net interest income	\$ 159	\$ 160	\$ (1)	(1)%	\$ 198
Provision for credit losses	16	11	5	45	(3)
Noninterest income	227	201	26	13	198
Noninterest expense	300	243	57	23	256
Provision for income taxes	15	22	(7)	(32)	30
Net income	\$ 55	\$ 85	\$ (30)	(35)%	\$ 113
Number of employees (average full-time equivalent)	1,071	1,018	53	5 %	1,057
Total average assets	\$ 7,496	\$ 6,845	\$ 651	10	\$ 6,438
Total average loans/leases	7,199	6,574	625	10	6,132
Total average deposits	8,187	6,531	1,656	25	5,983
Net interest margin	1.90 %	2.36 %	(0.46)%	(19)	3.18 %
NCOs	\$ —	\$ —	\$ —	—	\$ 1
NCOs as a % of average loans and leases	— %	0.01 %	(0.01)%	(100)	0.02 %
Total assets under management <i>(in billions)—eop</i>	\$ 25.2	\$ 19.8	\$ 5.4	27	\$ 17.5
Total trust assets <i>(in billions)—eop</i>	135.7	123.0	12.7	10	121.8

eop—End of Period.

RBHPCG reported net income of \$55 million in 2021, a decrease of \$30 million, or 35%, compared with a net income of \$85 million in 2020. Segment net interest income decreased \$1 million, or 1%, due to a 46 basis point decrease in net interest margin, largely driven by lower benefit in deposit spreads, partially offset by an increase in average loans and leases. Average loans and leases increased \$625 million, or 10%, primarily due to an increase in residential real estate mortgage loans and the impact of the TCF acquisition. Average deposits increased \$1.7 billion, or 25%, primarily related to higher customer liquidity levels and the impact of the acquired TCF deposit portfolio. Noninterest income increased \$26 million, or 13%, reflecting higher sales production and overall market performance, and the impact of the TCF acquisition. 2020 included the sale of Retirement Plan Services recordkeeping and administrative services. Total assets under management increased 27% due to positive net asset flows, equity markets, and the impact of the TCF acquisition. Noninterest expense increased \$57 million, or 23%, primarily due to the impact of the TCF acquisition and higher production related costs.

Treasury / Other

The Treasury / Other function includes revenue and expense related to assets, liabilities, derivatives (including the mark-to-market of interest rate caps), and equity not directly assigned or allocated to one of the four business segments. Assets include investment securities and bank owned life insurance.

Net interest income includes the impact of administering our investment securities portfolios, the net impact of derivatives used to hedge interest rate sensitivity as well as the financial impact associated with our FTP methodology, as described above. Noninterest income includes miscellaneous fee income not allocated to other business segments, such as bank owned life insurance income and securities and trading asset gains or losses. Noninterest expense includes certain corporate administrative, acquisition-related expenses, if any, and other miscellaneous expenses not allocated to other business segments. The provision for income taxes for the business segments is calculated at a statutory 21% tax rate, although our overall effective tax rate is lower.

ADDITIONAL DISCLOSURES

Forward-Looking Statements

This report, including MD&A, contains certain forward-looking statements, including, but not limited to, certain plans, expectations, goals, projections, and statements, which are not historical facts and are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. Forward-looking statements may be identified by words such as expect, anticipate, believe, intend, estimate, plan, target, goal, or similar expressions, or future or conditional verbs such as will, may, might, should, would, could, or similar variations. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995.

While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements: changes in general economic, political, or industry conditions; the magnitude and duration of the COVID-19 pandemic and related variants and mutations and their impact on the global economy and financial market conditions and our business, results of operations, and financial condition; uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Federal Reserve Board; volatility and disruptions in global capital and credit markets; movements in interest rates; reform of LIBOR; competitive pressures on product pricing and services; success, impact, and timing of our business strategies, including market acceptance of any new products or services including those implementing our “Fair Play” banking philosophy; the nature, extent, timing, and results of governmental actions, examinations, reviews, reforms, regulations, and interpretations, including those related to the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III regulatory capital reforms, as well as those involving the OCC, Federal Reserve, FDIC, and CFPB; the possibility that the anticipated benefits of the transaction with TCF are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where Huntington does business; and other factors that may affect the future results of Huntington.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. Huntington does not assume any obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

Non-GAAP Financial Measures

This document contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding our results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found herein.

Fully-Taxable Equivalent Basis

Interest income, yields, and ratios on a FTE basis are considered non-GAAP financial measures. Management believes net interest income on a FTE basis provides an insightful picture of the interest margin for comparison purposes. The FTE basis also allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The FTE basis assumes a federal statutory tax rate of 21 percent. We encourage readers to consider the [Consolidated Financial Statements](#) and other financial information contained in this Form 10-K in their entirety, and not to rely on any single financial measure.

Non-Regulatory Capital Ratios

In addition to capital ratios defined by banking regulators, the Company considers various other measures when evaluating capital utilization and adequacy, including:

- Tangible common equity to tangible assets,
- Tangible equity to tangible assets, and
- Tangible common equity to risk-weighted assets using Basel III definitions.

These non-regulatory capital ratios are viewed by management as useful additional methods of reflecting the level of capital available to withstand unexpected market conditions. Additionally, presentation of these ratios allows readers to compare our capitalization to other financial services companies. These ratios differ from capital ratios defined by banking regulators principally in that the numerator excludes goodwill and other intangible assets, the nature and extent of which varies among different financial services companies. These ratios are not defined in GAAP or federal banking regulations. As a result, these non-regulatory capital ratios disclosed by the Company are considered non-GAAP financial measures.

Because there are no standardized definitions for these non-regulatory capital ratios, the Company's calculation methods may differ from those used by other financial services companies. Also, there may be limits in the usefulness of these measures to investors. As a result, we encourage readers to consider the Consolidated Financial Statements and other financial information contained in this Form 10-K in their entirety, and not to rely on any single financial measure.

Risk Factors

More information on risk is discussed in the Risk Factors section included in Item 1A: [Risk Factors](#) of this report. Additional information regarding risk factors can also be found in the Risk Management and Capital discussion of this report, as well as the [Regulatory Matters](#) section included in Item 1 : Business of this report.

Critical Accounting Policies and Use of Significant Estimates

Our Consolidated Financial Statements are prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires us to establish accounting policies and make estimates that affect amounts reported in our Consolidated Financial Statements. Note 1 - [Significant Accounting Policies](#) of the Notes to Consolidated Financial Statements, which is incorporated by reference into this MD&A, describes the significant accounting policies we used in our Consolidated Financial Statements.

An accounting estimate requires assumptions and judgments about uncertain matters that could have a material effect on the Consolidated Financial Statements. Estimates are made under facts and circumstances at a point in time, and changes in those facts and circumstances could produce results substantially different from those estimates. Our most significant accounting policies and estimates and their related application are discussed below.

Allowance for Credit Losses

Our ACL at December 31, 2021 represents our current estimate of the lifetime credit losses expected from our loan and lease portfolio and our unfunded lending commitments. Management estimates the ACL by projecting probability of default, loss given default and exposure at default conditional on economic parameters, for the remaining contractual term. Internal factors that impact the quarterly allowance estimate include the level of outstanding balances, the portfolio performance and assigned risk ratings.

One of the most significant judgments influencing the ACL estimate is the macroeconomic forecasts. Key external economic parameters that directly impact our loss modeling framework include forecasted unemployment rates and Gross Domestic Product. Changes in the economic forecasts could significantly affect the estimated credit losses which could potentially lead to materially different allowance levels from one reporting period to the next.

Given the dynamic relationship between macroeconomic variables within our modeling framework, it is difficult to estimate the impact of a change in any one individual variable on the allowance. As a result, management uses a probability-weighted approach that incorporates a baseline, an adverse and a more favorable economic scenario when formulating the quantitative estimate.

However, to illustrate a hypothetical sensitivity analysis, management calculated a quantitative allowance using a 100% weighting applied to an adverse scenario. This scenario includes assumptions around increased COVID-19 morbidity and mortality rates. Additionally, consumer confidence declines with the resulting drop in consumer spending sending the economy back into recession in the first quarter of 2022. Under this scenario, as an example, the unemployment rate increases and remains elevated for a prolonged period, the rate is estimated at 8.7% and 7.1% at the end of 2022 and 2023, respectively. These numbers result in unemployment rates that are approximately 5.2% and 3.6% higher than baseline scenario projections of 3.5% and 3.5%, respectively for the same time periods.

To demonstrate the sensitivity to key economic parameters used in the calculation of our ACL at December 31, 2021, management calculated the difference between our quantitative ACL and a 100% adverse scenario. Excluding consideration of general reserve adjustments, this sensitivity analysis would result in a hypothetical increase in our ACL of approximately \$1.2 billion at December 31, 2021.

The resulting difference is not intended to represent an expected increase in allowance levels for a number of reasons including the following:

- Management uses a weighted approach applied to multiple economic scenarios for its allowance estimation process;
- The highly uncertain economic environment;
- The difficulty in predicting the inter-relationships between the economic parameters used in the various economic scenarios; and
- The sensitivity estimate does not account for our general reserve and associated risk profile components incorporated by management as part of its overall allowance framework.

We regularly review our ACL for appropriateness by performing on-going evaluations of the loan and lease portfolio. In doing so, we consider factors such as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the level of delinquent loans, the value of any collateral and, where applicable, the existence of any guarantees or other documented support. We also evaluate the impact of changes in key economic parameters and overall economic conditions on the ability of borrowers to meet their financial obligations when quantifying our exposure to credit losses and assessing the appropriateness of our ACL at each reporting date. There is no certainty that our ACL will be appropriate over time to cover losses in our portfolio as economic and market conditions may ultimately differ from our reasonable and supportable forecast. Additionally, events adversely affecting specific customers, industries, or our markets, such as the current COVID-19 pandemic, could severely impact our current expectations. If the credit quality of our customer base materially deteriorates or the risk profile of a market, industry, or group of customers changes materially, our net income and capital could be materially adversely affected which, in turn, could have a material adverse effect on our financial condition and results of operations. The extent to which the current COVID-19 pandemic will continue to negatively impact our businesses, financial condition, liquidity and results will depend on future developments, which are highly uncertain and cannot be forecasted with precision at this time. *For more information, see Note 5 - "[Loans / Leases](#)" and Note 6 - "[Allowance for Credit Losses](#)" of the Notes to Consolidated Financial Statements.*

Acquisition Method of Accounting

The acquisition method of accounting requires that acquired assets and liabilities in a business combination are recorded at their fair values as of the date of acquisition. This method often involves estimates based on third party valuations or internal valuations based on discounted cash flow analyses or other valuation techniques, all of which are inherently subjective. Acquisition-related restructuring costs are expensed as incurred. The acquisition method of accounting does allow for a measurement period to make adjustments to acquisition accounting for up to one year after the acquisition date, for new information that existed at the acquisition date but may not have been known or available at that time. *For more information, see Note 3 - "[Acquisition of TCF Financial Corporation](#)" of the Notes to Consolidated Financial Statements.*

Fair Value Measurement

Certain assets and liabilities are measured at fair value on a recurring basis, including securities and derivative instruments. Assets and liabilities carried at fair value inherently include subjectivity and may require the use of significant assumptions, adjustments and judgment including, among others, discount rates, rates of return on assets, cash flows, default rates, loss rates, terminal values and liquidation values. A significant change in assumptions may result in a significant change in fair value, which in turn, may result in a higher degree of financial statement volatility and could result in significant impact on our results of operations, financial condition or disclosures of fair value information.

In addition to the above mentioned on-going fair value measurements, fair value is also used for recording business combinations and measuring other non-recurring financial assets and liabilities. At June 9, 2021, approximately \$46 billion of our assets and \$43 billion of our liabilities were recorded at fair value as a result of applying the acquisition method of accounting.

The fair value hierarchy requires use of observable inputs first and subsequently unobservable inputs when observable inputs are not available. Our fair value measurements involve various valuation techniques and models, which involve inputs that are observable (Level 1 or Level 2 in fair value hierarchy), when available. The level of judgment required to determine fair value is dependent on the methods or techniques used in the process. Assets and liabilities that are measured at fair value using quoted prices in active markets (Level 1) do not require significant judgment while the valuation of assets and liabilities when quoted market prices are not available (Levels 2 and 3) may require significant judgment to assess whether observable or unobservable inputs for those assets and liabilities provide reasonable determination of fair value. The fair values measured at each level of the fair value hierarchy, additional discussion regarding fair value measurements, and a brief description of how fair value is determined for categories that have unobservable inputs, can be found in Note 19 - "[Fair Value of Assets and Liabilities](#)" of the Notes to Consolidated Financial Statements.

Goodwill and Other Intangible Assets

Acquisitions typically result in goodwill, the amount by which the cost of net assets acquired in a business combination exceeds their fair value, which is subject to impairment testing at least annually. The amortization of identified intangible assets recognized in a business combination is based upon the estimated economic benefits to be received over their economic life, which is also subjective. Customer attrition rates that are based on historical experience are used to determine the estimated economic life of certain intangibles assets, including but not limited to, customer deposit intangibles.

Recent Accounting Pronouncements and Developments

Note 2 - "[Accounting Standards Update](#)" of the Notes to Consolidated Financial Statements discusses new accounting pronouncements adopted during 2021 and the expected impact of accounting pronouncements recently issued but not yet required to be adopted. To the extent the adoption of new accounting standards materially affect financial condition, results of operations, or liquidity, the impacts are discussed in the applicable section of this MD&A and the Notes to Consolidated Financial Statements.

Item 7A: Quantitative and Qualitative Disclosures About Market Risk

Information required by this item is set forth under the heading of "[Market Risk](#)" in Item 7: MD&A, which is incorporated by reference into this item.

Item 8: Financial Statements and Supplementary Data

Information required by this item is set forth in the [Reports of Independent Registered Public Accounting Firm](#) (PCAOB ID 238), [Consolidated Financial Statements](#) and [Notes to Consolidated Financial Statements](#), which is incorporated by reference into this item. The selected quarterly financial data is no longer required. There were no material retrospective changes to any quarters in the two most recent fiscal years that would require this disclosure.

REPORT OF MANAGEMENT'S EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Management of Huntington Bancshares Incorporated (Huntington or the Company) is responsible for the financial information and representations contained in the Consolidated Financial Statements and other sections of this report. The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States. In all material respects, they reflect the substance of transactions that should be included based on informed judgments, estimates, and currently available information. Management maintains a system of internal accounting controls, which includes the careful selection and training of qualified personnel, appropriate segregation of responsibilities, communication of written policies and procedures, and a broad program of internal audits. The costs of the controls are balanced against the expected benefits. During 2021, the audit committee of the board of directors met regularly with Management, Huntington's internal auditors, and the independent registered public accounting firm, PricewaterhouseCoopers LLP, to review the scope of their audits and to discuss the evaluation of internal accounting controls and financial reporting matters. The independent registered public accounting firm and the internal auditors have free access to, and meet confidentially with, the audit committee to discuss appropriate matters. Also, Huntington maintains a disclosure review committee. This committee's purpose is to design and maintain disclosure controls and procedures to ensure that material information relating to the financial and operating condition of Huntington is properly reported to its chief executive officer, chief financial officer, chief auditor, and the audit committee of the board of directors in connection with the preparation and filing of periodic reports and the certification of those reports by the chief executive officer and the chief financial officer.

REPORT OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. Huntington's Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013)*. Based on that assessment, Management concluded that, as of December 31, 2021, the Company's internal control over financial reporting is effective based on those criteria. The Company's internal control over financial reporting as of December 31, 2021 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing on the next page.



Stephen D. Steinour – Chairman, President, and Chief Executive Officer



Zachary Wasserman – Senior Executive Vice President and Chief Financial Officer

February 18, 2022

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Huntington Bancshares Incorporated

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Huntington Bancshares Incorporated and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for the allowance for credit losses as of January 1, 2020.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management's Assessment of Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

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

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of the General Reserve of the Allowance for Credit Losses

As described in Notes 1 and 6 to the consolidated financial statements, management's estimate of the allowance for credit losses of \$2.1 billion as of December 31, 2021 includes a general reserve that consists of various risk-profile reserve components. The risk-profile components consider items unique to the Company's structure, policies, processes, and portfolio composition, as well as qualitative measurements and assessments of the Company's loan portfolios including, but not limited to, economic uncertainty, concentrations, portfolio composition, industry comparisons, and internal review functions.

The principal considerations for our determination that performing procedures relating to the valuation of the general reserve of the allowance for credit losses is a critical audit matter are (i) the significant judgment by management when determining the general reserve, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to the methodology and assumptions used to determine the general reserve, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls related to the valuation of the general reserve of the allowance for credit losses. These procedures also included, among others, testing management's process for determining the general reserve, including evaluating the appropriateness of management's methodology, testing the completeness and accuracy of data utilized by management and evaluating the reasonableness of assumptions relating to the general reserve. Evaluating management's assumptions related to the general reserve involved evaluating whether the assumptions used were reasonable considering portfolio composition, relevant market data, and indicators of economic uncertainty. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of management's methodology and assumptions related to the general reserve.

Valuation of Certain Acquired Loans

As described in Note 3 to the consolidated financial statements, during 2021 the Company acquired TCF Financial Corporation. In conjunction with the acquisition, the Company acquired commercial real estate and residential mortgage loans that were recorded at fair value of \$7.9 billion and \$6.3 billion, respectively. To determine the fair value of acquired loans, management used a discounted cash flow methodology which considered factors including the type of loan and related collateral, classification status, fixed or variable interest rate, term, amortization status, current discount rates, and a reduction in estimated cash flows for credit losses.

The principal considerations for our determination that performing procedures relating to the valuation of certain acquired loans is a critical audit matter are (i) the high degree of auditor effort in performing procedures and evaluating audit evidence relating to the discount rates and credit loss assumptions used to determine the fair value for the commercial real estate and residential mortgage loans, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of acquired loans, including controls over the discount rates and credit loss assumptions used to determine the fair value. These procedures also included, among others, testing the completeness and accuracy of data provided by management and the involvement of professionals with specialized skill and knowledge to assist in (i) testing management's process to determine the fair value of certain acquired loans, including evaluating the appropriateness of the discounted cash flow methodology and the reasonableness of the assumptions related to the discount rates and credit loss assumptions, and (ii) developing independent ranges of fair value for certain acquired loans and comparing the independent ranges to management's estimate to evaluate the reasonableness of management's estimate. Developing the independent ranges of fair value involved independently developing the discount rates and credit loss assumptions.



PricewaterhouseCoopers LLP

Columbus, Ohio

February 18, 2022

We have served as the Company's auditor since 2015.

Huntington Bancshares Incorporated
Consolidated Balance Sheets

	December 31,	
	2021	2020
<i>(dollar amounts in millions)</i>		
Assets		
Cash and due from banks	\$ 1,811	\$ 1,319
Interest-bearing deposits at Federal Reserve Bank	3,711	5,276
Interest-bearing deposits in banks	392	117
Trading account securities	46	62
Available-for-sale securities	28,460	16,485
Held-to-maturity securities	12,447	8,861
Other securities	648	418
Loans held for sale (includes \$1,270 and \$1,198 respectively, measured at fair value)(1)	1,676	1,275
Loans and leases (includes \$171 and \$94 respectively, measured at fair value)(1)	111,920	81,608
Allowance for loan and lease losses	(2,030)	(1,814)
Net loans and leases	109,890	79,794
Bank owned life insurance	2,765	2,577
Premises and equipment	1,164	757
Goodwill	5,349	1,990
Servicing rights and other intangible assets	611	428
Other assets	5,094	3,679
Total assets	\$ 174,064	\$ 123,038
Liabilities and shareholders' equity		
Liabilities		
Deposits:		
Demand deposits—noninterest-bearing	\$ 43,236	\$ 28,553
Interest-bearing	100,027	70,395
Total deposits	143,263	98,948
Short-term borrowings	334	183
Long-term debt	7,108	8,352
Other liabilities	4,041	2,562
Total liabilities	154,746	110,045
Commitments and Contingent Liabilities (Note 22)		
Shareholders' equity		
Preferred stock	2,167	2,191
Common stock	14	10
Capital surplus	15,222	8,781
Less treasury shares, at cost	(79)	(59)
Accumulated other comprehensive (loss) gain	(229)	192
Retained earnings	2,202	1,878
Total Huntington Bancshares Inc shareholders' equity	19,297	12,993
Non-controlling interest	21	—
Total equity	19,318	12,993
Total liabilities and shareholders' equity	\$ 174,064	\$ 123,038
Common shares authorized (par value of \$ 0.01)	2,250,000,000	1,500,000,000
Common shares outstanding	1,437,742,172	1,017,196,776
Treasury shares outstanding	6,298,288	5,062,054
Preferred stock, authorized shares	6,617,808	6,617,808
Preferred shares outstanding	557,500	750,500

(1) Amounts represent loans for which Huntington has elected the fair value option. See Note 19 [Fair Values of Assets and Liabilities](#).

See [Notes to Consolidated Financial Statements](#)

Huntington Bancshares Incorporated
Consolidated Statements of Income

	Year Ended December 31,		
	2021	2020	2019
<i>(dollar amounts in millions, except per share data, share amounts in thousands)</i>			
Interest and fee income:			
Loans and leases	\$ 3,636	\$ 3,085	\$ 3,541
Available-for-sale securities			
Taxable	261	237	295
Tax-exempt	56	61	83
Held-to-maturity securities-taxable	174	215	218
Other securities-taxable	10	6	16
Other interest income	54	43	48
Total interest income	4,191	3,647	4,201
Interest expense			
Deposits	45	197	585
Short-term borrowings	1	13	54
Long-term debt	43	213	349
Total interest expense	89	423	988
Net interest income	4,102	3,224	3,213
Provision for credit losses	25	1,048	287
Net interest income after provision for credit losses	4,077	2,176	2,926
Service charges on deposit accounts	372	301	372
Card and payment processing income	334	248	246
Mortgage banking income	309	366	167
Trust and investment management services	232	189	178
Capital markets fees	151	125	123
Insurance income	105	97	88
Leasing revenue	99	21	19
Bank owned life insurance income	69	64	66
Gain on sale of loans	9	42	55
Net gains (losses) on sales of securities	9	(1)	(24)
Other noninterest income	200	139	164
Total noninterest income	1,889	1,591	1,454
Personnel costs	2,335	1,692	1,654
Outside data processing and other services	850	384	346
Net occupancy	277	158	159
Equipment	248	180	163
Professional services	113	55	54
Marketing	89	38	37
Deposit and other insurance expense	51	32	34
Amortization of intangibles	48	41	49
Lease financing equipment depreciation	41	1	4
Other noninterest expense	323	214	221
Total noninterest expense	4,375	2,795	2,721
Income before income taxes	1,591	972	1,659
Provision for income taxes	294	155	248
Income after income taxes	1,297	817	1,411
Income attributable to non-controlling interest	2	—	—
Net income attributable to Huntington Bancshares Inc	1,295	817	1,411
Dividends on preferred shares	131	100	74
Impact of preferred stock redemption	11	—	—
Net income applicable to common shares	\$ 1,153	\$ 717	\$ 1,337
Average common shares—basic	1,262,435	1,017,117	1,038,840
Average common shares—diluted	1,286,733	1,032,683	1,056,079
Per common share:			
Net income—basic	\$ 0.91	\$ 0.71	\$ 1.29
Net income—diluted	0.90	0.69	1.27

See Notes to Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
	2021	2020	2019
<i>(dollar amounts in millions)</i>			
Net income attributable to Huntington Bancshares Inc	\$ 1,295	\$ 817	\$ 1,411
Other comprehensive income, net of tax:			
Total unrealized (losses) gains on available-for-sale securities	(341)	216	335
Change in fair value related to cash flow hedges	(105)	234	23
Translations adjustments, net of hedges	(3)	—	—
Change in accumulated unrealized gains (losses) for pension and other post-retirement obligations	28	(2)	(5)
Other comprehensive (loss) income, net of tax	(421)	448	353
Comprehensive income attributable to Huntington Bancshares	874	1,265	1,764
Comprehensive income attributed to non-controlling interest	2	—	—
Comprehensive income	\$ 876	\$ 1,265	\$ 1,764

See Notes to Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Changes in Shareholders' Equity

	Preferred Stock		Common Stock		Capital Surplus	Treasury Stock		Accumulated Other Comprehensive (Loss) Gain	Retained Earnings	Total	Non-controlling Interest	Total Equity
	Amount	Shares	Amount	Shares		Amount	Amount					
Year Ended December 31, 2021												
Balance, beginning of year	\$ 2,191	1,022,258	\$ 10	\$ 8,781	(5,062)	\$ (59)	\$ 192	\$ 1,878	\$ 12,993	\$ —	\$ 12,993	
Net income								1,295	1,295	2	1,297	
Other comprehensive (loss) income, net of tax							(421)		(421)		(421)	
TCF Financial Corp Acquisition:												
Issuance of common stock		458,171	5	6,993		(37)			6,961		6,961	
Issuance of Series I Preferred Stock	175			10					185		185	
Non-controlling interest acquired										22	22	
Net proceeds from issuance of Series H Preferred Stock	486								486		486	
Redemption of preferred stock	(685)			(4)				(11)	(700)		(700)	
Repurchases of common stock		(43,139)	—	(650)					(650)		(650)	
Cash dividends declared:												
Common (\$0.605 per share)								(826)	(826)		(826)	
Preferred								(131)	(131)		(131)	
Recognition of the fair value of share-based compensation				129					129		129	
Other share-based compensation activity		6,750	(1)	(37)				—	(38)		(38)	
Other				—	(1,236)	17		(3)	14	(3)	11	
Balance, end of year	\$ 2,167	1,444,040	\$ 14	\$ 15,222	(6,298)	\$ (79)	\$ (229)	\$ 2,202	\$ 19,297	\$ 21	\$ 19,318	
Year Ended December 31, 2020												
Balance, beginning of year	\$ 1,203	1,024,541	\$ 10	\$ 8,806	(4,537)	\$ (56)	\$ (256)	\$ 2,088	\$ 11,795	\$ —	\$ 11,795	
Cumulative-effect of change in accounting principle, net of tax								(306)	(306)		(306)	
Net income								817	817	—	817	
Other comprehensive income, net of tax							448		448		448	
Net proceeds from issuance of preferred stock	988								988		988	
Repurchases of common stock		(7,504)	—	(92)					(92)		(92)	
Cash dividends declared:												
Common (\$0.60 per share)								(621)	(621)		(621)	
Preferred								(100)	(100)		(100)	
Recognition of the fair value of share-based compensation				77					77		77	
Other share-based compensation activity		5,372	—	(9)				—	(9)		(9)	
Other		(151)	—	(1)	(525)	(3)		—	(4)		(4)	
Balance, end of year	\$ 2,191	1,022,258	\$ 10	\$ 8,781	(5,062)	\$ (59)	\$ 192	\$ 1,878	\$ 12,993	\$ —	\$ 12,993	

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	Preferred Stock	Common Stock		Capital	Treasury Stock		Accumulated Other Comprehensive (Loss) Gain	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	Amount	Shares	Amount	Surplus	Shares	Amount					
Year Ended December 31, 2019											
Balance, beginning of year	\$ 1,203	1,050,584	\$ 11	\$ 9,181	(3,817)	\$ (45)	\$ (609)	\$ 1,361	\$ 11,102	\$ —	\$ 11,102
Net income								1,411	1,411		1,411
Other comprehensive income, net of tax							353		353		353
Repurchases of common stock		(31,494)	(1)	(440)					(441)		(441)
Cash dividends declared:											
Common (\$0.58 per share)								(611)	(611)		(611)
Preferred								(74)	(74)		(74)
Recognition of the fair value of share-based compensation				83					83		83
Other share-based compensation activity		5,451	—	(18)					(18)		(18)
Other		—	—	—	(720)	(11)		1	(10)		(10)
Balance, end of year	\$ 1,203	1,024,541	\$ 10	\$ 8,806	(4,537)	\$ (56)	\$ (256)	\$ 2,088	\$ 11,795	\$ —	\$ 11,795

See Notes to Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2021	2020	2019
<i>(dollar amounts in millions)</i>			
Operating activities			
Net income	\$ 1,297	\$ 817	\$ 1,411
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Provision for credit losses	25	1,048	287
Depreciation and amortization	391	367	386
Share-based compensation expense	129	77	83
Deferred income tax expense (benefit)	(76)	(93)	23
Net change in:			
Trading account securities	16	37	(32)
Loans held for sale	(56)	(534)	(214)
Other assets	366	(1,077)	(593)
Other liabilities	27	683	194
Other, net	(57)	(2)	29
Net cash provided by (used in) operating activities	<u>2,062</u>	<u>1,323</u>	<u>1,574</u>
Investing activities			
Change in interest bearing deposits in banks	716	(81)	(112)
Net cash received from business acquisition	466	—	—
Proceeds from:			
Maturities and calls of available-for-sale securities	7,275	5,697	2,124
Maturities and calls of held-to-maturity securities	4,151	3,042	1,021
Sales of available-for-sale securities	5,892	392	3,903
Purchases of available-for-sale securities	(19,936)	(11,104)	(6,036)
Purchases of held-to-maturity securities	(4,777)	—	(1,519)
Net proceeds from sales of portfolio loans and leases	517	1,113	1,049
Principal payments received under direct finance and sales-type leases	1,055	704	714
Net loan and lease activity, excluding sales and purchases	2,650	(6,844)	(2,149)
Purchases of premises and equipment	(247)	(119)	(107)
Purchases of loans and leases	(1,197)	(1,506)	(445)
Net cash paid for branch disposition	(618)	—	(548)
Other, net	91	67	228
Net cash provided by (used in) investing activities	<u>(3,962)</u>	<u>(8,639)</u>	<u>(1,877)</u>
Financing activities			
Increase (decrease) in deposits	6,501	16,601	(1,702)
(Decrease) Increase in short-term borrowings	(1,245)	(2,373)	586
Net proceeds from issuance of long-term debt	775	1,386	1,796
Maturity/redemption of long-term debt	(3,404)	(3,052)	(743)
Dividends paid on preferred stock	(138)	(84)	(74)
Dividends paid on common stock	(750)	(614)	(597)
Repurchases of common stock	(650)	(92)	(441)
Payment to repurchase preferred stock	(700)	—	—
Net proceeds from issuance of preferred stock	486	988	—
Other, net	(48)	(19)	(24)
Net cash provided by (used for) financing activities	<u>827</u>	<u>12,741</u>	<u>(1,199)</u>
Increase (decrease) in cash and cash equivalents	(1,073)	5,425	(1,502)
Cash and cash equivalents at beginning of period	6,595	1,170	2,672
Cash and cash equivalents at end of period	<u>\$ 5,522</u>	<u>\$ 6,595</u>	<u>\$ 1,170</u>

	Year Ended December 31,		
	2021	2020	2019
<i>(dollar amounts in millions)</i>			
Supplemental disclosures:			
Interest paid	\$ 185	\$ 453	\$ 989
Income taxes paid	269	81	111
Non-cash activities			
Loans transferred to held-for-sale from portfolio	872	1,139	963
Loans transferred to portfolio from held-for-sale	102	53	19
Transfer of securities from available-for-sale to held-to-maturity	3,007	2,842	—
Business Combination			
Fair value of tangible assets acquired	46,256	—	—
Goodwill and other intangible assets	3,516	—	—
Liabilities assumed	42,567	—	—
Preferred stock issued in business combination	185	—	—
Common Stock issued in business combination	6,998	—	—

Huntington Bancshares Incorporated
Notes to Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations — Huntington Bancshares Incorporated (Huntington or the Company) is a multi-state diversified regional bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through its subsidiaries, including its bank subsidiary, The Huntington National Bank (the Bank), Huntington is engaged in providing full-service commercial and consumer banking services, mortgage banking services, automobile financing, recreational vehicle and marine financing, equipment financing, inventory finance, investment management, trust services, brokerage services, insurance products and services, and other financial products and services. Huntington's full-service branches and private client group offices are primarily located in Ohio, Colorado, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, West Virginia and Wisconsin. Select financial services and other activities are also conducted in various other states. International banking services are available through the headquarters office in Columbus, Ohio.

Basis of Presentation — The Consolidated Financial Statements include the accounts of Huntington and its majority-owned subsidiaries and are presented in accordance with GAAP. All intercompany transactions and balances are eliminated in consolidation. Entities in which Huntington holds a controlling financial interest are consolidated. For a voting interest entity, a controlling financial interest is generally where Huntington holds, directly or indirectly, more than 50 percent of the outstanding voting shares. For a variable interest entity (VIE), a controlling financial interest is where Huntington has the power to direct the activities of an entity that most significantly impact the entity's economic performance and has an obligation to absorb losses or the right to receive benefits from the VIE. For consolidated entities where Huntington holds less than a 100% interest, Huntington recognizes non-controlling interest (included in shareholders' equity) for the equity held by minority shareholders and non-controlling profit or loss (included in noninterest expense) for the portion of the entity's earnings attributable to minority interests. Investments in companies that are not consolidated are accounted for using the equity method when Huntington has the ability to exert significant influence. Investments in non-marketable equity securities for which Huntington does not have the ability to exert significant influence are generally accounted for using the cost method adjusted for impairment and other changes in observable prices. Investments in private investment partnerships that are accounted for under the equity method or the cost method are included in other assets and Huntington's earnings in equity investments are included in other noninterest income. Investments accounted for under the cost and equity methods are periodically evaluated for impairment.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that significantly affect amounts reported in the Consolidated Financial Statements. Huntington utilizes processes that involve the use of significant estimates and the judgments of management in determining the amount of its allowance for credit losses, income taxes, as well as fair value measurements of investment securities, derivative instruments, goodwill, other intangible assets, pension assets and liabilities, short-term borrowings, mortgage servicing rights, and loans held for sale. As with any estimate, actual results could differ from those estimates.

For statements of cash flows purposes, cash and cash equivalents are defined as the sum of cash and due from banks and interest-bearing deposits at Federal Reserve Bank.

Resale and Repurchase Agreements — Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions and are recorded at the amounts at which the securities were acquired or sold plus accrued interest. The fair value of collateral either received from or provided to a third-party is monitored and additional collateral is obtained or requested to be returned to Huntington in accordance with the agreement.

Securities — Securities purchased with the intention of recognizing short-term profits or which are actively bought and sold are classified as trading account securities and reported at fair value. The unrealized gains or losses on trading account securities are recorded in other noninterest income. Debt securities purchased that Huntington has the positive intent and ability to hold to their maturity are classified as held-to-maturity securities. Held-to-maturity securities are recorded at amortized cost. All other debt securities are classified as available-for-sale securities. Available-for-sale securities are recognized and measured at fair value with any change in the fair value recognized in other comprehensive income. All equity securities are classified as other securities.

Securities transactions are recognized on the trade date (the date the order to buy or sell is executed). The carrying value plus any related accumulated OCI balance of sold securities is used to compute realized gains and losses. Interest on securities, including amortization of premiums and accretion of discounts using the effective interest method over the period to maturity, is included in interest income.

Non-marketable equity securities include stock held for membership and regulatory purposes, such as FHLB stock and FRB stock. These securities are accounted for at cost, evaluated for impairment, and are included in other securities. Other securities also include mutual funds and other marketable equity securities. These securities are carried at fair value, with changes in fair value recognized in other noninterest income.

Loans and Leases — Loans for which Huntington has the intent and ability to hold for the foreseeable future, or until maturity or payoff, except loans for which the fair value option has been elected, are carried at the principal amount outstanding, net of charge-offs, unamortized deferred loan origination fees and costs, premiums and discounts, and unearned income. Direct financing leases are reported at the aggregate of lease payments receivable and estimated residual values, net of unearned and deferred income, and any initial direct costs incurred to originate these leases. Renewal options for leases are at the option of the lessee, and are typically not included in the measurement of the lease receivable as they are not considered reasonably certain of exercise. Purchase options are typically at fair value, and as such those options are not considered in the measurement of lease receivables or in lease classification. Interest income is accrued as earned using the interest method. Huntington defers the fees it receives from the origination of loans and leases, as well as the direct costs of those activities. Huntington also acquires loans at premiums and/or discounts to their contractual values. Huntington amortizes loan discounts, premiums, and net loan origination fees and costs over the contractual lives of the related loans using the effective interest method.

Troubled debt restructurings are loans for which the original contractual terms have been modified to provide a concession to a borrower experiencing financial difficulties. Loan modifications are considered TDRs when the concessions provided are not available to the borrower through either normal channels or other sources. However, not all loan modifications are TDRs. Modifications resulting in troubled debt restructurings may include changes to one or more terms of the loan, including but not limited to, a change in interest rate, an extension of the repayment period, a reduction in payment amount, and partial forgiveness or deferment of principal or accrued interest.

Impairment of the residual values of direct financing leases is evaluated quarterly, with impairment arising if the expected fair value is less than the carrying amount. Huntington assesses net investments in leases (including residual values) for impairment and recognizes impairment losses in accordance with the impairment guidance for financial instruments. As such, net investments in leases may be reduced by an allowance for credit losses, with changes recognized as provision expense.

For leased equipment, the residual component of a direct financing lease represents the estimated fair value of the leased equipment at the end of the lease term. Huntington uses industry data, historical experience, and independent appraisals to establish these residual value estimates. Additional information regarding product life cycle, product upgrades, as well as insight into competing products are obtained through relationships with industry contacts and are factored into residual value estimates where applicable. Upon expiration of a lease, residual assets are remarketed, resulting in an extension of the lease by the lessee, a lease to a new customer, or purchase of the residual asset by the lessee or another party. Huntington also purchases insurance guaranteeing the value of certain residual assets.

Loans Held for Sale — Loans in which Huntington does not have the intent and ability to hold for the foreseeable future are classified as loans held for sale. Loans held for sale are carried at (a) the lower of cost or fair value less costs to sell, or (b) fair value where the fair value option is elected. The fair value option is generally elected for mortgage loans originated with the intent to sell. The fair value of such loans is estimated based on the inputs that include prices of mortgage backed securities adjusted for other variables such as, interest rates, expected credit defaults and market discount rates. The adjusted value reflects the price we expect to receive from the sale of such loans.

Nonaccrual and Past Due Loans — Loans are considered past due when the contractual amounts due with respect to principal and interest are not received within 30 days of the contractual due date.

Any loan in any portfolio may be placed on nonaccrual status prior to the policies described below when collection of principal or interest is in doubt. When a borrower with debt is discharged in a Chapter 7 bankruptcy and the debt is not reaffirmed by the borrower, the loan is determined to be collateral dependent and placed on nonaccrual status, unless there is a co-borrower or the repayment is likely to occur based on objective evidence.

All classes within the commercial loan and lease portfolio are placed on nonaccrual status at 90-days past due. First-lien home equity loans are placed on nonaccrual status at 150-days past due. Junior-lien home equity loans are placed on nonaccrual status at the earlier of 120-days past due or when the related first-lien loan has been identified as nonaccrual. Automobile, RV and marine and other consumer loans are generally fully charged-off at 120-days past due, and if not fully charged-off are placed on non-accrual. Residential mortgage loans are placed on nonaccrual status at 150-days past due, with the exception of residential mortgages guaranteed by government agencies which continue to accrue interest at the rate guaranteed by the government agency.

For all classes within all loan portfolios, when a loan is placed on nonaccrual status, any accrued interest is reversed and charged against interest income.

For all classes within all loan portfolios, cash receipts on NALs are applied against principal until the loan or lease has been collected in full, including the charged-off portion, after which time any additional cash receipts are recognized as interest income. However, for secured non-reaffirmed debt in a Chapter 7 bankruptcy, payments are applied to principal and interest when the borrower has demonstrated a capacity to continue payment of the debt and collection of the debt is reasonably assured. For unsecured non-reaffirmed debt in a Chapter 7 bankruptcy where the carrying value has been fully charged-off, payments are recorded as loan recoveries.

Within the commercial loan and lease portfolio, the determination of a borrower's ability to make the required principal and interest payments is based on an examination of the borrower's current financial statements, industry, management capabilities, and other qualitative measures. For all classes within the consumer loan portfolio, the determination of a borrower's ability to make the required principal and interest payments is based on multiple factors, including number of days past due and, in some instances, an evaluation of the borrower's financial condition. When, in management's judgment, the borrower's ability to make required principal and interest payments resumes and collectability is no longer in doubt, supported by sustained repayment history, the loan is returned to accrual status. For loans that are returned to accrual status, cash receipts are applied according to the contractual terms of the loan.

Collateral-dependent Loans — Certain commercial and consumer loans for which repayment is expected to be provided substantially through the operation or sale of the loan collateral are considered to be collateral-dependent. Commercial collateral-dependent loans are generally secured by business assets and/or commercial real estate. Consumer collateral-dependent loans are primarily secured by residential real estate or automobiles.

Allowance for Credit Losses — Huntington maintains an ACL on its loan and lease portfolio, held-to-maturity securities as well as on available-for-sale securities. The ACL on loan and lease portfolio and held-to-maturity securities are provided through an expected loss methodology referred to as current expected credit loss ("CECL") methodology. The ACL on AFS securities is provided when a credit loss is deemed to have occurred for securities which Huntington does not intend to sell or is not required to sell. The CECL methodology also applies to credit exposures on off-balance-sheet loan commitments, financial guarantees not accounted for as insurance, including standby letters of credit, and other similar instruments not recognized as derivative financial instruments.

Loans - The ACL is deducted from the amortized cost basis of a financial asset or a group of financial assets so that the balance sheet reflects the net amount Huntington expects to collect. Amortized cost is the principal balance outstanding, net of purchase premiums and discounts, fair value hedge accounting adjustments, and deferred fees and costs. Subsequent changes (favorable and unfavorable) in expected credit losses are recognized immediately in net income as a credit loss expense or a reversal of credit loss expense. Management estimates the allowance by projecting probability-of-default, loss-given-default and exposure-at-default depending on loan risk characteristics and economic parameters for each month of the remaining contractual term. Commercial loan risk characteristics include but are not limited to risk ratings, industry type and maturity type. Consumer loan risk characteristics include but are not limited to FICO scores, LTV and loan vintages. The economic parameters are developed using available information relating to past events, current conditions, and reasonable and supportable forecasts. Huntington's reasonable and supportable forecast period reverts to a historical norm based on inputs within approximately two to three years. The reversion period is dependent on the state of the economy at the beginning of the forecast. Historical credit experience provides the basis for the estimation of expected credit losses, with adjustments made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency levels and terms, as well as for changes in the micro- and macroeconomic environments. The contractual terms of financial assets are adjusted for expected prepayments and any extensions outside of Huntington's control.

The ACL is measured on a collective basis when similar risk characteristics exist. Loans that are determined to have unique risk characteristics are evaluated on an individual basis by management. If a loan is determined to be collateral dependent or meets the criteria to apply the collateral dependent practical expedient, expected credit losses are determined based on the fair value of the collateral at the reporting date, less costs to sell as appropriate. Loans with unique risk characteristics that are not subject to collateral dependent accounting, are assessed using a discounted cash flows methodology.

Management believes the products within each of the entity's portfolio classes exhibit similar risk characteristics. Huntington has identified its portfolio classes as disclosed in Note 5 - "[Loans and Leases](#)".

In addition to the transactional reserve described above, Huntington also maintains a general reserve that consists of various risk-profile reserve components. The risk-profile components consider items unique to Huntington's structure, policies, processes and portfolio composition, as well as qualitative measurements and assessments of the loan portfolios including, but not limited to, economic uncertainty, concentrations, portfolio composition, industry comparisons and internal review functions.

Huntington has elected to exclude accrued interest receivable from the measurement of its ACL given the well-defined non-accrual policies in place for all loan portfolios which results in timely reversal of outstanding interest through interest income. For certain loans on active deferral related to COVID-19, the collection of interest may be delayed for an extended period of time. The accrued interest on these active deferral loans is contemplated in establishing the ACL.

The estimate for the off-balance sheet exposures, the AULC, is determined using the same procedures and methodologies as used for the loan and lease portfolio supplemented by the information related to future draws and related credit loss expectations. The AULC is recorded in other liabilities in the Consolidated Balance Sheets.

Prior to the implementation of ASU 2016-13 (CECL) on January 1, 2020, the allowance for credit losses was subject to the guidance included in ASC 310 and ASC 450. Under the guidance, the bank was required to use an incurred loss methodology to estimate credit losses that were estimated to be incurred in the loan portfolio and that could ultimately materialize into confirmed losses in the form of charge-offs. The incurred loss methodology was a backward-looking approach to loss recognition and based on the concept of a triggering event having taken place, causing a loss to be inherent within the portfolio. This methodology under ASC 450 was predicated on a loss emergence period that was applied at a portfolio level. Loss emergence periods, PD's and LGD's were all based on historical loss experience within the loan portfolios. Consideration of forward looking macro-economic expectations was not permitted under this allowance methodology. Additionally, loans that were identified as impaired under the definition of ASC 310, were required to be assessed on an individual basis. The allowance for credit losses and resulting provision expense levels for comparative periods presented in this document were estimated in accordance with these requirements.

HTM Securities - The allowance for held-to-maturity debt securities is estimated using a CECL methodology. Any expected credit loss is provided through the allowance for credit loss on HTM securities and is deducted from the amortized cost basis of the security so that the balance sheet reflects the net amount Huntington expects to collect. Nearly all of Huntington's HTM debt securities are issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies, and have a long history of no credit losses. Accordingly, there is a zero credit loss expectation on these securities.

AFS Securities - Huntington evaluates its available-for-sale investment securities portfolio on a quarterly basis for indicators of impairment. Huntington assesses whether an impairment has occurred when the fair value of a debt security is less than the amortized cost at the balance sheet date. Management reviews the amount of unrealized loss, the credit rating history, market trends of similar security classes, time remaining to maturity, and the source of both interest and principal payments to identify securities which could potentially be impaired. For those debt securities that Huntington intends to sell or is more likely than not required to sell, before the recovery of their amortized cost basis, the difference between fair value and amortized cost is considered to be impaired and is recognized in noninterest income. For those debt securities that Huntington does not intend to sell or is not more likely than not required to sell, prior to expected recovery of amortized cost basis, the credit portion of the impairment is recognized through an allowance in noninterest income while the noncredit portion is recognized in OCI. In determining the credit portion, Huntington uses a discounted cash flow analysis, which includes evaluating the timing and amount of the expected cash flows. Non-credit-related impairment results from other factors, including increased liquidity spreads and higher interest rates.

Charge-off of Uncollectible Loans — Any loan in any portfolio may be charged-off prior to the policies described below if a loss confirming event has occurred. Loss confirming events include, but are not limited to, bankruptcy (unsecured), continued delinquency, foreclosure, or receipt of an asset valuation indicating a collateral deficiency and that asset is the sole source of repayment. Additionally, discharged, collateral dependent non-reaffirmed debt in Chapter 7 bankruptcy filings will result in a charge-off to estimated collateral value, less anticipated selling costs, unless the repayment is likely to occur based on objective evidence.

Commercial loans and leases are generally either charged-off or written down to net realizable value at 90-days past due. Automobile, RV and marine and other consumer loans are generally charged-off at 120-days past due. First-lien and junior-lien home equity loans are charged-off to the estimated fair value of the collateral, less anticipated selling costs, at 150-days past due and 120-days past due, respectively. Residential mortgages are charged-off to the estimated fair value of the collateral at 150-days past due.

Collateral — Huntington pledges assets as collateral as required for various transactions including security repurchase agreements, public deposits, loan notes, derivative financial instruments, short-term borrowings and long-term borrowings. Assets that have been pledged as collateral, including those that can be sold or repledged by the secured party, continue to be reported on the Consolidated Balance Sheets.

Huntington also accepts collateral, primarily as part of various transactions including derivative instruments and security resale agreements. Collateral received is excluded from the Consolidated Balance Sheets.

The market value of collateral accepted or pledged is regularly monitored and additional collateral is obtained or provided as necessary to ensure appropriate collateral coverage in these transactions.

Premises and Equipment — Premises and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed principally by the straight-line method over the estimated useful lives of the related assets. Buildings and building improvements are depreciated over an average of 30 to 40 years and 10 to 30 years, respectively. Land improvements and furniture and fixtures are depreciated over an average of 5 to 20 years, while equipment is depreciated over a range of 3 to 10 years. Leasehold improvements are amortized over the lesser of the asset's useful life or the lease term, including any renewal periods for which renewal is reasonably assured. Maintenance and repairs are charged to expense as incurred, while improvements that extend the useful life of an asset are capitalized and depreciated over the remaining useful life. Amounts in premises and equipment may include items classified as held-for-sale, which are carried at lower of cost or fair value, less costs to sell. Premises and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Mortgage Servicing Rights — Huntington recognizes the rights to service mortgage loans as an asset when servicing is contractually separated from the underlying mortgage loans by sale or securitization of the loans with servicing rights retained or when purchased. MSR assets are included in servicing rights and other intangible assets in the Consolidated Balance Sheets. All MSR assets are recorded using the fair value method. Any change in the fair value of MSRs during the period is recorded in mortgage banking income.

Goodwill and Other Intangible Assets — Under the acquisition method of accounting, the net assets of entities acquired by Huntington are recorded at their estimated fair value at the date of acquisition. The excess cost of consideration paid over the fair value of net assets acquired is recorded as goodwill. Other intangible assets with finite useful lives are amortized either on an accelerated or straight-line basis over their estimated useful lives. Goodwill is evaluated for impairment on an annual basis at October 1st of each year or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Operating Leases (Lessee) — Huntington has elected not to include non-lease components in the measurement of right-of-use assets, and as such allocates the costs attributable to such components, where those costs are not separately identifiable, via per-square-foot costing analysis developed by the entity for owned and leased spaces. Huntington uses a portfolio approach to develop discount rates as its lease portfolio is comprised of substantially all branch space and office space used in the entity's operations. That rate, an input used in the measurement of the entity's right-of-use assets, leverages an incremental borrowing rate of appropriate tenor and collateralization.

Derivative Financial Instruments — A variety of derivative financial instruments, principally interest rate swaps, caps, floors, and collars, are used in asset and liability management activities to protect against the risk of adverse price or interest rate movements. These instruments provide flexibility in adjusting Huntington's sensitivity to changes in interest rates without exposure to loss of principal and higher funding requirements.

Huntington also uses derivatives, principally loan sale commitments, in hedging its mortgage loan interest rate lock commitments and its mortgage loans held for sale. Mortgage loan sale commitments and the related interest rate lock commitments are carried at fair value on the Consolidated Balance Sheets with changes in fair value reflected in mortgage banking income. Huntington also uses certain derivative financial instruments to offset changes in value of its MSRs. These derivatives consist primarily of forward interest rate agreements and forward mortgage contracts. The derivative instruments used are not designated as qualifying hedges. Accordingly, such derivatives are recorded at fair value with changes in fair value reflected in mortgage banking income.

Derivative financial instruments are recorded in the Consolidated Balance Sheets as either an asset or a liability (in other assets and other liabilities, respectively) and measured at fair value. Accounting for changes in fair value of derivatives depends on whether the derivative is designated and qualifies in a hedging relationship. At inception a derivative contract can be designated as:

- a qualifying hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge);
- a qualifying hedge of the variability of cash flows to be received or paid related to a recognized asset, liability or forecasted transaction (cash flow hedge); or
- a qualifying hedge of Huntington's investment in non-U.S. dollar functional currency entities (net investment hedge).

Changes in the fair value of a derivative that has been designated and qualifies as a fair value hedge, along with the changes in the fair value of the hedged asset or liability that is attributable to the hedged risk, are recorded in current period earnings. Changes in the fair value of a derivative that has been designated and qualifies as a cash flow hedge are recorded in other comprehensive income, net of income taxes, and reclassified into earnings in the period during which the hedged item affects earnings. Changes in the fair value of derivatives that have been designated as net investment hedges are recorded in other comprehensive income, net of income taxes, and reclassified into earnings during the period the foreign entity is substantially liquidated or other elements of the currency translation adjustment are reclassified into earnings. Changes in the fair value of derivatives held for trading purposes or which do not qualify for hedge accounting are reported in current period earnings.

For those derivatives to which hedge accounting is applied, Huntington formally documents the hedging relationship and the risk management objective and strategy for undertaking the hedge. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and, unless the hedge meets all of the criteria to assume there is no ineffectiveness, the method that will be used to assess the effectiveness of the hedging instrument. Huntington typically assesses effectiveness using statistical regression at inception and on an ongoing basis.

Hedge accounting is discontinued prospectively when:

- the derivative is no longer effective or expected to be effective in offsetting changes in the fair value, cash flows or changes in net investment of a hedged item (including firm commitments or forecasted transactions);
- the derivative expires, is sold, terminated, or exercised;
- the forecasted transaction is no longer probable of occurring by the end of the originally specified time period;
- the hedged firm commitment no longer meets the definition of a firm commitment; or
- the designation of the derivative as a hedging instrument is removed.

When hedge accounting is discontinued and the derivative no longer qualifies as an effective fair value, cash flow or net investment hedge, the derivative continues to be carried on the balance sheet at fair value and changes in fair value will be recorded in current period earnings unless re-designated.

In the case of a discontinued fair value hedge of a recognized asset or liability, as long as the hedged item continues to exist on the balance sheet, the hedged item will no longer be adjusted for changes in fair value. The basis adjustment that had previously been recorded to the hedged item during the period from the hedge designation date to the hedge discontinuation date is recognized as an adjustment to the yield of the hedged item over the remaining life of the hedged item.

In the case of a discontinued cash flow hedge of a forecasted transaction, as long as the forecasted transaction remains probable the balance applicable to the discontinued hedging relationship will be recognized in earnings over the periods where the hedged cash flows are recorded in earnings. If the forecasted transaction is not expected to occur, any amounts recorded in accumulated other comprehensive income are immediately reclassified to current period earnings.

In the case of a discontinued net investment hedge as long as Huntington holds the net investment in the entity, the change in fair value will no longer be recorded in other comprehensive income. The cumulative balance recorded in accumulated comprehensive income will be recognized in earnings when the entity is substantially liquidated.

Like other financial instruments, derivatives contain an element of credit risk, which is the possibility that Huntington will incur a loss because the counterparty fails to meet its contractual obligations. Notional values of interest rate swaps and other off-balance sheet financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to Huntington, including any accrued interest receivable due from counterparties. Potential credit losses are mitigated by derivatives through central clearing parties, careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements, and other contract provisions. Huntington considers the value of collateral held and collateral provided in determining the net carrying value of derivatives.

Huntington offsets the fair value amounts recognized for derivative instruments and the fair value for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments recognized at fair value executed with the same counterparty under a master netting arrangement.

Fair Value Measurements — The Company records or discloses certain of its assets and liabilities at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurements are classified within one of three levels in a valuation hierarchy based upon the observability of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1* – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- *Level 2* – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- *Level 3* – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Bank Owned Life Insurance — Huntington's bank owned life insurance policies are recorded at their cash surrender value. Huntington recognizes tax-exempt income from the periodic increases in the cash surrender value of these policies and from death benefits. A portion of the cash surrender value is supported by holdings in separate accounts. Book value protection for the separate accounts is provided by the insurance carriers and a highly rated major bank.

Transfers of Financial Assets and Securitizations — Transfers of financial assets in which we have surrendered control over the transferred assets are accounted for as sales. In assessing whether control has been surrendered, Huntington considers whether the transferee would be a consolidated affiliate, the existence and extent of any continuing involvement in the transferred financial assets, and the impact of all arrangements or agreements made contemporaneously with, or in contemplation of, the transfer, even if they were not entered into at the time of transfer. Control is generally considered to have been surrendered when (i) the transferred assets have been legally isolated from Huntington or any of its consolidated affiliates, even in bankruptcy or other receivership, (ii) the transferee (or, if the transferee is an entity whose sole purpose is to engage in securitization or asset-backed financing that is constrained from pledging or exchanging the assets it receives, each third-party holder of its beneficial interests) has the right to pledge or exchange the assets (or beneficial interests) it received without any constraints that provide more than a trivial benefit to Huntington, and (iii) neither Huntington nor its consolidated affiliates and agents have (a) both the right and obligation under any agreement to repurchase or redeem the transferred assets before their maturity, (b) the unilateral ability to cause the holder to return specific financial assets that also provides Huntington with a more-than-trivial benefit (other than through a cleanup call) or (c) an agreement that permits the transferee to require Huntington to repurchase the transferred assets at a price so favorable that it is probable that it will require Huntington to repurchase them.

If the sale criteria are met, the transferred financial assets are removed from the balance sheet and a gain or loss on sale is recognized. If the sale criteria are not met, the transfer is recorded as a secured borrowing in which the assets remain on the balance sheet and the proceeds from the transaction are recognized as a liability. For the majority of financial asset transfers, it is clear whether or not Huntington has surrendered control. For other transfers, such as in the case of complex transactions or where Huntington have continuing involvement, we generally obtain a legal opinion as to whether the transfer results in a true sale by law.

Gains and losses on the loans and leases sold and servicing rights associated with loan and lease sales are determined when the related loans or leases are sold to either a securitization trust or third-party. For loan or lease sales with servicing retained, a servicing asset is recorded at fair value for the right to service the loans sold.

Pension and Other Postretirement Benefits — Huntington recognizes the funded status of the postretirement benefit plans on the Consolidated Balance Sheets. Net postretirement benefit cost charged to current earnings related to these plans is predominantly based on various actuarial assumptions regarding expected future experience.

Certain employees are participants in various defined contribution and other non-qualified supplemental retirement plans. Contributions to defined contribution plans are charged to current earnings.

In addition, Huntington maintains a 401(k) plan covering substantially all employees. Employer contributions to the plan are charged to current earnings.

Noninterest Income — Huntington recognizes revenue when the performance obligations related to the transfer of goods or services under the terms of a contract are satisfied. Some obligations are satisfied at a point in time while others are satisfied over a period of time. Revenue is recognized as the amount of consideration to which Huntington expects to be entitled to in exchange for transferring goods or services to a customer. When consideration includes a variable component, the amount of consideration attributable to variability is included in the transaction price only to the extent it is probable that significant revenue recognized will not be reversed when uncertainty associated with the variable consideration is subsequently resolved. Generally, the variability relating to the consideration is explicitly stated in the contracts, but may also arise from Huntington's customer business practices, for example, waiving certain fees related to customer's deposit accounts such as NSF fees. Huntington's contracts generally do not contain terms that require significant judgement to determine the variability impacting the transaction price.

Revenue is segregated based on the nature of product and services offered as part of contractual arrangements. Revenue from contracts with customers is broadly segregated as follows:

- *Service charges on deposit accounts* include fees and other charges Huntington receives to provide various services, including but not limited to, maintaining an account with a customer, providing overdraft services, wire transfer, transferring funds, and accepting and executing stop-payment orders. The consideration includes both fixed (e.g., account maintenance fee) and transaction fees (e.g., wire-transfer fee). The fixed fee is recognized over a period of time while the transaction fee is recognized when a specific service (e.g., execution of wire-transfer) is rendered to the customer. Huntington may, from time to time, waive certain fees (e.g., NSF fee) for customers but generally does not reduce the transaction price to reflect variability for future reversals due to the insignificance of the amounts. Waiver of fees reduces the revenue in the period the waiver is granted to the customer.
- *Card and payment processing income* includes interchange fees earned on debit cards and credit cards. All other fees (e.g., annual fees), and interest income are recognized in accordance with ASC 310. Huntington recognizes interchange fees for services performed related to authorization and settlement of a cardholder's transaction with a merchant. Revenue is recognized when a cardholder's transaction is approved and settled.

Certain volume or transaction based interchange expenses (net of rebates) paid to the payment network reduce the interchange revenue and are presented net on the income statement. Similarly, rewards payable under a reward program to cardholders are recognized as a reduction of the transaction price and are presented net against the interchange revenue.

- *Trust and investment management services* includes fee income generated from personal, corporate and institutional customers. Huntington also provides investment management services, cash management services and tax reporting to customers. Services are rendered over a period of time, over which revenue is recognized. Huntington may also recognize revenue from referring a customer to outside third-parties including mutual fund companies that pay distribution (12b-1) fees and other expenses. 12b-1 fees are received upon initially placing an account holder's funds with a mutual fund company as well as in the future periods as long as the account holder (i.e., the fund investor), remains invested in the fund. The transaction price includes a variable consideration which is considered constrained as it is not probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur. Accordingly, those fees are recognized as revenue when the uncertainty associated with the variable consideration is subsequently resolved, that is, initial fees are recognized in the initial period while the future fees are recognized in future periods.

- *Insurance income* includes agency commissions that are recognized when Huntington sells insurance policies to customers. Huntington is also entitled to renewal commissions and, in some cases, profit sharing which are recognized in subsequent periods. The initial commission is recognized when the insurance policy is sold to a customer. Renewal commission is variable consideration and is recognized in subsequent periods when the uncertainty around variable consideration is subsequently resolved (i.e., when customer renews the policy). Profit sharing is also variable consideration that is not recognized until the variability surrounding realization of revenue is resolved (i.e., Huntington has reached a minimum volume of sales). Another source of variability is the ability of the policy holder to cancel the policy anytime. In such cases, Huntington may be required, under the terms of the contract, to return part of the commission received. A policy cancellation reserve is established for such expected cancellations.
- *Other noninterest income* includes a variety of other revenue streams including capital markets revenue, leasing revenue, miscellaneous consumer fees and marketing allowance revenue. Revenue is recognized when, or as, the performance obligation is satisfied. Inherent variability in the transaction price is not recognized until the uncertainty affecting the variability is resolved.

Control is transferred to a customer either at a point in time or over time. A performance obligation is deemed satisfied when the control over goods or services is transferred to the customer. To determine when control is transferred at a point in time, Huntington considers indicators, including but not limited to the right to payment for the asset, transfer of significant risk and rewards of ownership of the asset and acceptance of the asset by the customer.

Revenue is recorded in the business segment responsible for the related product or service. Fee sharing arrangements exist to allocate portions of such revenue to other business segments involved in selling to, or providing service to, customers. Business segment results are determined based upon management's reporting system, which assigns balance sheet and income statement items to each of the business segments. The process is designed around Huntington's organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions.

Income Taxes — Income taxes are accounted for under the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future book and tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are determined using enacted tax rates expected to apply in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income at the time of enactment of such change in tax rates.

Any interest or penalties due for payment of income taxes are included in the provision for income taxes. To the extent we do not consider it more likely than not that a deferred tax asset will be recovered, a valuation allowance is recorded. All positive and negative evidence is reviewed when determining how much of a valuation allowance is recognized on a quarterly basis. In determining the requirements for a valuation allowance, sources of possible taxable income are evaluated including future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences and carryforwards, taxable income in appropriate carryback years, and tax-planning strategies. Huntington applies a more likely than not recognition threshold for all tax uncertainties.

Share-Based Compensation — Huntington uses the fair value based method of accounting for awards of HBAN stock granted to employees under various share-based compensation plans. Share-based compensation costs are recognized prospectively for all new awards granted under these plans. Compensation expense relating to stock options is calculated using a methodology that is based on the underlying assumptions of the Black-Scholes option pricing model and is charged to expense over the requisite service period (e.g., vesting period) taking into account retirement eligibility. Compensation expense relating to restricted stock awards is based upon the fair value of the awards on the date of grant and is charged to earnings over the requisite service period (e.g., vesting period) taking into account the retirement eligibility of the award.

Stock Repurchases — Acquisitions of Huntington stock are recorded at cost.

Segment Results — Accounting policies for the business segments are the same as those used in the preparation of the Consolidated Financial Statements with respect to activities specifically attributable to each business segment. However, the preparation of business segment results requires management to establish methodologies to allocate funding costs and benefits, expenses, and other financial elements to each business segment, which are described in Note 25 - "[Segment Reporting](#)".

2. ACCOUNTING STANDARDS UPDATE

Accounting standards yet to be adopted

Standard	Summary of guidance	Effects on financial statements
ASU 2021-08-Business Combinations (Topic 805) Issued October 2021	<ul style="list-style-type: none">The amendments in this update require that an acquirer apply topic 606 to the recognition and measurement of revenue contract assets and liabilities acquired in a business combination.	<ul style="list-style-type: none">Effective for fiscal years ending after December 15, 2022, including interim periods within those fiscal years.Adoption of the ASU will be applied prospectively to all business combinations occurring after the adoption date, with early adoption permitted. An entity that elects to early adopt in an interim period should retroactively adjust for any business combinations that occurred during the annual period of adoption, this includes the interim period.The update is not expected to have a material impact on Huntington's Consolidated financial statements.

3. ACQUISITION OF TCF FINANCIAL CORPORATION

On June 9, 2021, Huntington closed the acquisition of TCF Financial Corporation in an all-stock transaction valued at \$7.2 billion. TCF was a financial holding company headquartered in Detroit, Michigan with operations across the Midwest. The acquisition brought increased scale and market density, as well as added new markets and capabilities.

Under the terms of the agreement, TCF shareholders received 3.0028 shares of Huntington common stock for each share of TCF common stock. Holders of TCF common stock also received cash in lieu of fractional shares. In addition, each outstanding share of 5.70% Series C Non-Cumulative Perpetual Preferred Stock of TCF was converted into one share of a newly created series of preferred stock of Huntington, Series I Preferred Stock.

The acquisition of TCF has been accounted for as a business combination. We recorded the estimate of fair value based on initial valuations available at June 9, 2021. The determination of estimated fair value required management to make assumptions related to discount rates, expected future cash flows, market conditions and other future events that are highly subjective in nature and may require adjustments, which can be subject to adjustment for up to one year after June 9, 2021. As of December 31, 2021, management completed its review of information relating to events or circumstances existing at the acquisition date.

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The following table provides the allocation of consideration paid for the fair value of assets acquired and liabilities and equity assumed from TCF as of June 9, 2021.

<i>(dollar amounts in millions)</i>	TCF	
	UPB	Fair Value
Assets acquired:		
Cash and due from banks		\$ 466
Interest-bearing deposits at Federal Reserve Bank		719
Interest-bearing deposits in banks		312
Available-for-sale securities		8,900
Other securities		358
Loans held for sale		363
Loans and leases:		
Commercial:		
Commercial and industrial	\$ 12,726	12,441
Commercial real estate	8,125	7,869
Lease financing	2,929	2,912
Total commercial	23,780	23,222
Consumer:		
Residential mortgage	6,267	6,273
Automobile	322	317
Home equity	2,644	2,607
RV and marine	581	570
Other consumer	179	167
Total consumer	9,993	9,934
Total loans and leases	\$ 33,773	33,156
Bank owned life insurance		181
Premises and equipment		360
Core deposit intangible		92
Other intangible assets		6
Servicing rights		59
Servicing rights and other intangible assets		157
Other assets		1,441
Total assets acquired		46,413
Liabilities and equity assumed:		
Deposits		38,663
Short-term borrowings		1,306
Long-term debt		1,516
Other liabilities (1)		1,082
Total liabilities		42,567
Non-controlling interest		22
Net assets acquired		\$ 3,824
Consideration:		
Fair value of common stock issued		\$ 6,998
Fair value of preferred stock exchange		185
Total consideration		\$ 7,183
Goodwill (1)		\$ 3,359

(1) Includes a measurement period adjustment for final tax positions related to the TCF acquisition which increased other liabilities and goodwill by \$3 million.

In connection with the acquisition, the Company recorded approximately \$3.4 billion of goodwill. The goodwill was the result of expected synergies, operational efficiencies and other factors. Information regarding the allocation of goodwill recorded as a result of the acquisition to the Company's reportable segments, as well as the carrying amounts and amortization of core deposit and other intangible assets, are provided in Note 8 "[Goodwill and Other Intangible Assets](#)" of the Notes to Consolidated Financial Statements.

The following is a description of the methods used to determine the fair values of significant assets and liabilities presented above.

Cash and due from banks and interest-bearing deposits in banks: The carrying amount of these assets is a reasonable estimate of fair value based on the short-term nature of these assets.

Securities: Fair values for securities are based on quoted market prices, where available. If quoted market prices are not available, fair value estimates are based on observable inputs including quoted market prices for similar instruments, quoted market prices that are not in an active market or other inputs that are observable in the market. In the absence of observable inputs, fair value is estimated based on pricing models and/or discounted cash flow methodologies.

Loans and leases: Fair values for loans and leases are based on a discounted cash flow methodology that considered factors including the type of loan and lease and related collateral, classification status, fixed or variable interest rate, term, amortization status and current discount rates. Loans and leases are grouped together according to similar characteristics when applying various valuation techniques. The discount rates used for loans and leases are based on current market rates for new originations of comparable loans and leases and include adjustments for liquidity. The discount rate does not include a factor for credit losses as that has been included as a reduction to the estimated cash flows.

CDI: This intangible asset represents the low cost of funding acquired core deposits provide relative to the Company's marginal cost of funds. The fair value was estimated based on a discounted cash flow methodology that gave appropriate consideration to expected customer attrition rates, net maintenance cost of the deposit base, alternative cost of funds, and the interest costs associated with customer deposits. The CDI is being amortized over 10 years based upon the period over which estimated economic benefits are estimated to be received.

Deposits: The fair values used for the demand and savings deposits by definition equal the amount payable on demand at the acquisition date. The fair values for time deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered to the contractual interest rates on such time deposits.

Debt: The fair values of long-term debt instruments are estimated based on quoted market prices for the instrument if available, or for similar instruments if not available, or by using discounted cash flow analyses, based on current incremental borrowing rates for similar types of instruments.

Premises and equipment: The fair values of premises are based on a market approach, with Huntington obtaining third-party appraisals and broker opinions of value for land, office and branch space.

Servicing rights: Servicing rights are valued using an option-adjusted spread valuation model to project cash flows over multiple interest rate scenarios which are then discounted at risk-adjusted rates. The model considers portfolio characteristics, prepayment rates, delinquency rates, contractually specified servicing fees, late charges, other ancillary revenue, costs to service and other economic factors.

PCD loans and leases

Purchased loans and leases that reflect a more-than-insignificant deterioration of credit from origination are considered PCD. For PCD loans and leases, the initial estimate of expected credit losses is recognized in the ALLL on the date of acquisition using the same methodology as other loans and leases held-for-investment. The following table provides a summary of loans and leases purchased as part of the TCF acquisition with credit deterioration at acquisition:

(dollar amounts in millions)

	Commercial	Consumer	Total
Par value (UPB)	\$ 7,931	\$ 1,333	\$ 9,264
ALLL at acquisition	(374)	(58)	(432)
Non-credit (discount)	(219)	(68)	(287)
Fair value	\$ 7,338	\$ 1,207	\$ 8,545

Huntington's operating results for the year ended December 31, 2021 includes the operating results of the acquired assets and assumed liabilities of TCF Financial Corporation subsequent to the acquisition on June 9, 2021. Due to the conversions of TCF systems occurring throughout 2021, as well as other streamlining and integration of the operating activities into those of the Company, historical reporting for the former TCF operations is impracticable and thus disclosures of the revenue from the assets acquired and income before income taxes is impracticable for the period subsequent to acquisition.

The following table presents unaudited pro forma information as if the acquisition of TCF had occurred on January 1, 2020 under the "Unaudited Pro Forma" columns. The pro forma adjustments give effect to any change in interest income due to the accretion of the discount (premium) associated with the fair value adjustments to acquired loans and leases, any change in interest expense due to estimated premium amortization/discount accretion associated with the fair value adjustment to acquired interest-bearing deposits and long-term debt and the amortization of the CDI that would have resulted had the deposits been acquired as of January 1, 2020. Pro forma results include Huntington acquisition-related expenses which primarily included, but were not limited to, severance costs, professional services, data processing fees, marketing and advertising expenses totaling \$701 million for the year ended December 31, 2021. Pro forma results also include adjustments for the elimination of TCF's accretion of the discount (premium) associated with the fair value adjustments to acquired loans and leases, deposits and long-term debt, elimination of TCF's intangible amortization expense, and related income tax effects. The pro forma information does not necessarily reflect the results of operations that would have occurred had Huntington acquired TCF on January 1, 2020. Furthermore, cost savings and other business synergies related to the acquisition are not reflected in the pro forma amounts.

<i>(dollar amounts in millions)</i>	Unaudited Pro Forma for	
	Year Ended December 31,	
	2021	2020
Net interest income	\$ 4,713	\$ 4,774
Noninterest income	2,112	2,127
Net income attributable to Huntington Bancshares Inc	1,624	834

Branch divestiture: In September 2021, Huntington completed the divestiture of 14 branches acquired in the acquisition of TCF and certain related assets and deposit liabilities to Horizon Bank, to satisfy regulatory requirements in connection with the acquisition. Total deposits and loans that were divested to Horizon Bank for the transaction were \$847 million and \$209 million, respectively.

4. INVESTMENT SECURITIES AND OTHER SECURITIES

Debt securities purchased in which Huntington has the intent and ability to hold to their maturity are classified as held-to-maturity securities. All other debt and equity securities are classified as either available-for-sale or other securities.

The following tables provide amortized cost, fair value, and gross unrealized gains and losses by investment category at December 31, 2021 and 2020:

<i>(dollar amounts in millions)</i>	Amortized Cost (1)	Unrealized		Fair Value
		Gross Gains	Gross Losses	
December 31, 2021				
Available-for-sale securities:				
U.S. Treasury	\$ 5	\$ —	\$ —	\$ 5
Federal agencies:				
Residential CMO	4,649	40	(40)	4,649
Residential MBS	15,533	135	(160)	15,508
Commercial MBS	1,896	7	(38)	1,865
Other agencies	248	1	(1)	248
Total U.S. Treasury, federal agency and other agency securities	22,331	183	(239)	22,275
Municipal securities	3,497	62	(33)	3,526
Private-label CMO	106	1	(1)	106
Asset-backed securities	385	1	(4)	382
Corporate debt	2,183	22	(38)	2,167
Other securities/Sovereign debt	4	—	—	4
Total available-for-sale securities	\$ 28,506	\$ 269	\$ (315)	\$ 28,460
Held-to-maturity securities:				
Federal agencies:				
Residential CMO	\$ 2,602	\$ 35	\$ (20)	\$ 2,617
Residential MBS	7,475	41	(59)	7,457
Commercial MBS	2,175	45	(5)	2,215
Other agencies	193	5	—	198
Total federal agency and other agency securities	12,445	126	(84)	12,487
Municipal securities	2	—	—	2
Total held-to-maturity securities	\$ 12,447	\$ 126	\$ (84)	\$ 12,489
Other securities, at cost:				
Non-marketable equity securities:				
Federal Home Loan Bank stock	\$ 52	\$ —	\$ —	\$ 52
Federal Reserve Bank stock	512	—	—	512
Equity securities	12	—	—	12
Other securities, at fair value				
Mutual funds	65	—	—	65
Equity securities	6	1	—	7
Total other securities	\$ 647	\$ 1	\$ —	\$ 648

(1) Amortized cost amounts excludes accrued interest receivable, which is recorded within other assets on the Consolidated Balance Sheet At December 31, 2021, accrued interest receivable on available-for-sale securities and held-to-maturity securities totaled \$62 million and \$26 million, respectively.

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<i>(dollar amounts in millions)</i>	Amortized Cost (1)	Unrealized		Fair Value
		Gross Gains	Gross Losses	
December 31, 2020				
Available-for-sale securities:				
U.S. Treasury	\$ 5	\$ —	\$ —	\$ 5
Federal agencies:				
Residential CMO	3,550	121	(5)	3,666
Residential MBS	7,843	97	(5)	7,935
Commercial MBS	1,151	21	(9)	1,163
Other agencies	60	2	—	62
Total U.S. Treasury, federal agency and other agency securities	12,609	241	(19)	12,831
Municipal securities	2,928	91	(15)	3,004
Private-label CMO	9	—	—	9
Asset-backed securities	185	7	—	192
Corporate debt	440	5	—	445
Other securities/Sovereign debt	4	—	—	4
Total available-for-sale securities	\$ 16,175	\$ 344	\$ (34)	\$ 16,485
Held-to-maturity securities:				
Federal agencies:				
Residential CMO	\$ 1,779	\$ 88	\$ —	\$ 1,867
Residential MBS	3,715	103	—	3,818
Commercial MBS	3,118	191	—	3,309
Other agencies	246	12	—	258
Total federal agency and other agency securities	8,858	394	—	9,252
Municipal securities	3	—	—	3
Total held-to-maturity securities	\$ 8,861	\$ 394	\$ —	\$ 9,255
Other securities, at cost:				
Non-marketable equity securities:				
Federal Home Loan Bank stock	\$ 60	\$ —	\$ —	\$ 60
Federal Reserve Bank stock	299	—	—	299
Other securities, at fair value				
Mutual funds	50	—	—	50
Equity securities	8	1	—	9
Total other securities	\$ 417	\$ 1	\$ —	\$ 418

(1) Amortized cost amounts excludes accrued interest receivable, which is recorded within other assets on the Consolidated Balance Sheet. At December 31, 2020, accrued interest receivable on available-for-sale securities and held-to-maturity securities totaled \$32 million and \$20 million, respectively.

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The following table provides the amortized cost and fair value of securities by contractual maturity at December 31, 2021 and 2020. Expected maturities may differ from contractual maturities as issuers may have the right to call or prepay obligations with or without incurring penalties.

<i>(dollar amounts in millions)</i>	2021		2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available-for-sale securities:				
Under 1 year	\$ 377	\$ 374	\$ 308	\$ 304
After 1 year through 5 years	1,888	1,880	1,145	1,154
After 5 years through 10 years	3,166	3,180	1,607	1,654
After 10 years	23,075	23,026	13,115	13,373
Total available-for-sale securities	\$ 28,506	\$ 28,460	\$ 16,175	\$ 16,485
Held-to-maturity securities:				
Under 1 year	\$ 2	\$ 2	\$ —	\$ —
After 1 year through 5 years	162	164	160	169
After 5 years through 10 years	44	45	131	138
After 10 years	12,239	12,278	8,570	8,948
Total held-to-maturity securities	\$ 12,447	\$ 12,489	\$ 8,861	\$ 9,255

The following tables provide detail on investment securities with unrealized losses aggregated by investment category and the length of time the individual securities have been in a continuous loss position at December 31, 2021 and 2020:

<i>(dollar amounts in millions)</i>	Less than 12 Months		Over 12 Months		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
December 31, 2021						
Available-for-sale securities:						
Federal agencies:						
Residential CMO	\$ 2,925	\$ (40)	\$ —	\$ —	\$ 2,925	\$ (40)
Residential MBS	13,491	(160)	—	—	13,491	(160)
Commercial MBS	1,251	(38)	—	—	1,251	(38)
Other agencies	140	(1)	—	—	140	(1)
Total federal agency and other agency securities	17,807	(239)	—	—	17,807	(239)
Municipal securities	859	(22)	319	(11)	1,178	(33)
Private-label CMO	78	(1)	—	—	78	(1)
Asset-backed securities	237	(4)	—	—	237	(4)
Corporate debt	1,766	(38)	—	—	1,766	(38)
Total temporarily impaired available-for-sale securities	\$ 20,747	\$ (304)	\$ 319	\$ (11)	\$ 21,066	\$ (315)
Held-to-maturity securities:						
Federal agencies:						
Residential CMO	\$ 1,453	\$ (20)	\$ —	\$ —	\$ 1,453	\$ (20)
Residential MBS	5,837	(59)	—	—	5,837	(59)
Commercial MBS	318	(5)	—	—	318	(5)
Total federal agency and other agency securities	7,608	(84)	—	—	7,608	(84)
Total temporarily impaired securities	\$ 7,608	\$ (84)	\$ —	\$ —	\$ 7,608	\$ (84)

	Less than 12 Months		Over 12 Months		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<i>(dollar amounts in millions)</i>						
December 31, 2020						
Available-for-sale securities:						
Federal agencies:						
Residential CMO	\$ 302	\$ (5)	\$ —	\$ —	\$ 302	\$ (5)
Residential MBS	1,633	(5)	—	—	1,633	(5)
Commercial MBS	321	(9)	—	—	321	(9)
Total federal agency and other agency securities	2,256	(19)	—	—	2,256	(19)
Municipal securities	110	(3)	490	(12)	600	(15)
Asset-backed securities	15	—	—	—	15	—
Corporate debt	51	—	—	—	51	—
Total temporarily impaired available-for-sale securities	\$ 2,432	\$ (22)	\$ 490	\$ (12)	\$ 2,922	\$ (34)

During 2021, Huntington transferred a total of \$3.0 billion of securities from the AFS portfolio to the HTM portfolio. At the time of the transfers, AOCI included a combined total of \$2 million of unrealized gains attributed to these securities. This gain will be amortized into interest income over the remaining life of the securities.

At December 31, 2021 and December 31, 2020, the carrying value of investment securities pledged to secure public and trust deposits, trading account liabilities, U.S. Treasury demand notes, security repurchase agreements and to support borrowing capacity totaled \$21.7 billion and \$14.4 billion, respectively. There were no securities of a single issuer, which were not governmental or government-sponsored, that exceeded 10% of shareholders' equity at either December 31, 2021 or December 31, 2020. At December 31, 2021, all HTM debt securities are considered AAA rated. In addition, there were no HTM debt securities considered past due at December 31, 2021.

AFS Securities Impairment/HTM Securities Allowance for Credit Losses

Based on an evaluation of available information including security type, counterparty credit quality, past events, current conditions, and reasonable and supportable forecasts that are relevant to collectability, Huntington has concluded that it expects to receive all contractual cash flows from each security held in its AFS and HTM debt securities portfolio. As such, no allowance or impairment is recorded with respect to securities as of December 31, 2021.

5. LOANS AND LEASES

The following table provides a detailed listing of Huntington's loan and lease portfolio at December 31, 2021 and December 31, 2020.

	At December 31,	
	2021	2020
<i>(dollar amounts in millions)</i>		
Commercial Loan and lease portfolio:		
Commercial and industrial	\$ 41,688	\$ 33,151
Commercial real estate	14,961	7,199
Lease financing	5,000	2,222
Total commercial loan and lease portfolio	61,649	42,572
Consumer loan portfolio:		
Residential mortgage	19,256	12,141
Automobile	13,434	12,778
Home equity	10,550	8,894
RV and marine	5,058	4,190
Other consumer	1,973	1,033
Total consumer loan portfolio	50,271	39,036
Total loans and leases (1)(2)	111,920	81,608
Allowance for loan and lease losses	(2,030)	(1,814)
Net loans and leases	\$ 109,890	\$ 79,794

- Loans and leases are reported at principal amount outstanding including unamortized purchase premiums and discounts, unearned income, and net direct fees and costs associated with originating and acquiring loans and leases. The aggregate amount of these loan and lease adjustments was a net (discount) premium of \$(111) million and \$171 million at December 31, 2021 and 2020, respectively.
- The total amount of accrued interest recorded for these loans and leases at December 31, 2021, was \$48 million and \$150 million of commercial and consumer loan and lease portfolios, respectively, and at December 31, 2020, was \$146 million and \$123 million of commercial and consumer loan and lease portfolios, respectively. Accrued interest is presented in other assets within the Condensed Consolidated Balance Sheets.

Lease Financing

Huntington leases equipment to customers, and substantially all such arrangements are classified as either sales-type or direct financing leases, which are included in commercial loans and leases. These leases are reported at the aggregate of lease payments receivable and estimated residual values, net of unearned and deferred income, and any initial direct costs incurred to originate these leases.

Huntington assesses net investments in leases (including residual values) for impairment and recognizes any impairment losses in accordance with the impairment guidance for financial instruments. As such, net investments in leases may be reduced by an ACL, with changes recognized as provision expense.

The following table presents net investments in lease financing receivables by category at December 31, 2021 and December 31, 2020:

	At December 31,	
	2021	2020
<i>(dollar amounts in millions)</i>		
Lease payments receivable	\$ 4,620	\$ 1,737
Estimated residual value of leased assets	774	664
Gross investment in lease financing receivables	5,394	2,401
Deferred origination costs	36	21
Deferred fees, unearned income and other	(430)	(200)
Total lease financing receivables	\$ 5,000	\$ 2,222

The carrying value of residual values guaranteed was \$473 million and \$93 million as of December 31, 2021 and December 31, 2020, respectively. The future lease rental payments due from customers on sales-type and direct financing leases at December 31, 2021, totaled \$4.6 billion and were due as follows: \$0.8 billion in 2022, \$0.7 billion in 2023, \$0.7 billion in 2024, \$0.8 billion in 2025, \$0.7 billion in 2026, and \$0.9 billion thereafter. Interest income recognized for these types of leases was \$193 million, \$106 million, and \$108 million for the years 2021, 2020, and 2019 respectively.

Nonaccrual and Past Due Loans and Leases

The following table presents NALs by class at December 31, 2021 and 2020:

<i>(dollar amounts in millions)</i>	December 31, 2021		December 31, 2020	
	Nonaccrual loans with no ACL	Total nonaccrual loans	Nonaccrual loans with no ACL	Total nonaccrual loans
Commercial and industrial	\$ 81	\$ 370	\$ 69	\$ 349
Commercial real estate	80	104	8	15
Lease financing	3	48	—	4
Residential mortgage	—	111	—	88
Automobile	—	3	—	4
Home Equity	—	79	—	70
RV and marine	—	1	—	2
Total nonaccrual loans and leases	\$ 164	\$ 716	\$ 77	\$ 532

The amount of interest that would have been recorded under the original terms for total NAL loans was \$0 million, \$33 million, and \$26 million for 2021, 2020, and 2019, respectively. The total amount of interest recorded to interest income for NAL loans was \$10 million, \$6 million, and \$9 million in 2021, 2020, and 2019, respectively.

The following table presents an aging analysis of loans and leases, by class at December 31, 2021 and 2020:

<i>(dollar amounts in millions)</i>	December 31, 2021								
	Past Due (1)				Current	Loans Accounted for Under FVO	Total Loans and Leases	90 or more days past due and accruing	
	30-59 Days	60-89 Days	90 or more days	Total					
Commercial and industrial	\$ 72	\$ 69	\$ 107	\$ 248	\$ 41,440	\$ —	\$ 41,688	\$ 13	(2)
Commercial real estate	9	1	9	19	14,942	—	14,961	—	
Lease financing	39	13	17	69	4,931	—	5,000	11	(3)
Residential mortgage	151	49	233	433	18,653	170	19,256	157	(4)
Automobile	79	18	8	105	13,329	—	13,434	6	
Home equity	48	35	76	159	10,390	1	10,550	17	
RV and marine	14	4	3	21	5,037	—	5,058	3	
Other consumer	13	2	3	18	1,955	—	1,973	3	
Total loans and leases	\$ 425	\$ 191	\$ 456	\$ 1,072	\$ 110,677	\$ 171	\$ 111,920	\$ 210	

<i>(dollar amounts in millions)</i>	December 31, 2020								
	Past Due (1)(4)				Current	Loans Accounted for Under FVO	Total Loans and Leases	90 or more days past due and accruing	
	30-59 Days	60-89 Days	90 or more days	Total					
Commercial and industrial	\$ 38	\$ 33	\$ 82	\$ 153	\$ 32,998	\$ —	\$ 33,151	\$ —	
Commercial real estate	—	1	11	12	7,187	—	7,199	—	
Lease financing	22	5	13	40	2,182	—	2,222	10	(3)
Residential mortgage	114	38	194	346	11,702	93	12,141	132	(4)
Automobile	84	22	12	118	12,660	—	12,778	9	
Home equity	35	15	61	111	8,782	1	8,894	14	
RV and marine	17	3	3	23	4,167	—	4,190	3	
Other consumer	9	4	3	16	1,017	—	1,033	3	
Total loans and leases	\$ 319	\$ 121	\$ 379	\$ 819	\$ 80,695	\$ 94	\$ 81,608	\$ 171	

(1) NALs are included in this aging analysis based on the loan's past due status.

(2) Amounts include PPP and other SBA loans and leases.

(3) Amounts include Huntington Technology Finance administrative lease delinquencies.

(4) Amounts include mortgage loans insured by U.S. government agencies.

(5) The principal balance of loans in payment deferral programs offered in response to the COVID-19 pandemic which are performing according to their modified terms are generally not considered delinquent.

Credit Quality Indicators

To facilitate the monitoring of credit quality for commercial loans, and for purposes of determining an appropriate ACL level for these loans, Huntington utilizes the following internally defined categories of credit grades:

- *Pass* - Higher quality loans that do not fit any of the other categories described below.
- *OLEM* - The credit risk may be relatively minor yet represents a risk given certain specific circumstances. If the potential weaknesses are not monitored or mitigated, the loan may weaken or the collateral may be inadequate to protect Huntington's position in the future. For these reasons, Huntington considers the loans to be potential problem loans.
- *Substandard* - Inadequately protected loans resulting from the borrower's ability to repay, equity, and/or the collateral pledged to secure the loan. These loans have identified weaknesses that could hinder normal repayment or collection of the debt. It is likely Huntington will sustain some loss if any identified weaknesses are not mitigated.
- *Doubtful* - Loans that have all of the weaknesses inherent in those loans classified as Substandard, with the added elements of the full collection of the loan is improbable and that the possibility of loss is high.

Loans are generally assigned a category of "Pass" rating upon initial approval and subsequently updated as appropriate based on the borrower's financial performance.

Commercial loans categorized as OLEM, Substandard, or Doubtful are considered Criticized loans. Commercial loans categorized as Substandard or Doubtful are both considered Classified loans.

For all classes within the consumer loan portfolios, loans are assigned pool level PD factors based on the FICO range within which the borrower's credit bureau score falls. A credit bureau score is a credit score developed by FICO based on data provided by the credit bureaus. The credit bureau score is widely accepted as the standard measure of consumer credit risk used by lenders, regulators, rating agencies, and consumers. The higher the credit bureau score, the higher likelihood of repayment and therefore, an indicator of higher credit quality.

Huntington assesses the risk in the loan portfolio by utilizing numerous risk characteristics. The classifications described above, and also presented in the table below, represent one of those characteristics that are closely monitored in the overall credit risk management processes.

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The following table presents the amortized cost basis of loans and leases by vintage and credit quality indicator at December 31, 2021 and 2020 respectively:

<i>(dollar amounts in millions)</i>	As of December 31, 2021								
	Term Loans Amortized Cost Basis by Origination Year						Revolver Total at Amortized Cost Basis	Revolver Total Converted to Term Loans	Total
	2021	2020	2019	2018	2017	Prior			
Commercial and industrial									
Credit Quality Indicator (1):									
Pass	\$ 15,435	\$ 5,677	\$ 3,682	\$ 1,983	\$ 1,080	\$ 1,134	\$ 9,945	\$ 3	\$ 38,939
OLEM	183	178	87	83	38	73	166	—	808
Substandard	336	203	344	206	125	167	552	—	1,933
Doubtful	5	1	1	1	—	—	—	—	8
Total Commercial and industrial	\$ 15,959	\$ 6,059	\$ 4,114	\$ 2,273	\$ 1,243	\$ 1,374	\$ 10,663	\$ 3	\$ 41,688
Commercial real estate									
Credit Quality Indicator (1):									
Pass	\$ 4,144	\$ 2,367	\$ 2,593	\$ 1,456	\$ 761	\$ 1,124	\$ 798	\$ —	\$ 13,243
OLEM	76	48	42	83	73	19	—	—	341
Substandard	224	362	448	115	151	46	30	—	1,376
Doubtful	—	—	—	1	—	—	—	—	1
Total Commercial real estate	\$ 4,444	\$ 2,777	\$ 3,083	\$ 1,655	\$ 985	\$ 1,189	\$ 828	\$ —	\$ 14,961
Lease financing									
Credit Quality Indicator (1):									
Pass	\$ 1,851	\$ 1,441	\$ 809	\$ 417	\$ 226	\$ 131	\$ —	\$ —	\$ 4,875
OLEM	8	32	12	4	2	—	—	—	58
Substandard	6	23	19	2	9	8	—	—	67
Total Lease financing	\$ 1,865	\$ 1,496	\$ 840	\$ 423	\$ 237	\$ 139	\$ —	\$ —	\$ 5,000
Residential mortgage									
Credit Quality Indicator (2):									
750+	\$ 5,532	\$ 3,857	\$ 978	\$ 554	\$ 687	\$ 1,704	\$ —	\$ —	\$ 13,312
650-749	1,862	993	409	269	254	1,028	—	—	4,815
<650	48	56	104	120	99	532	—	—	959
Total Residential mortgage	\$ 7,442	\$ 4,906	\$ 1,491	\$ 943	\$ 1,040	\$ 3,264	\$ —	\$ —	\$ 19,086
Automobile									
Credit Quality Indicator (2):									
750+	\$ 2,993	\$ 1,927	\$ 1,381	\$ 666	\$ 345	\$ 129	\$ —	\$ —	\$ 7,441
650-749	2,393	1,237	736	380	168	55	—	—	4,969
<650	380	234	178	128	70	34	—	—	1,024
Total Automobile	\$ 5,766	\$ 3,398	\$ 2,295	\$ 1,174	\$ 583	\$ 218	\$ —	\$ —	\$ 13,434
Home Equity									
Credit Quality Indicator (2):									
750+	\$ 645	\$ 701	\$ 32	\$ 31	\$ 34	\$ 387	\$ 4,772	\$ 272	\$ 6,874
650-749	129	94	15	13	13	161	2,324	324	3,073
<650	3	2	2	1	1	67	361	165	602
Total Home equity	\$ 777	\$ 797	\$ 49	\$ 45	\$ 48	\$ 615	\$ 7,457	\$ 761	\$ 10,549
RV and marine									
Credit Quality Indicator (2):									
750+	\$ 1,257	\$ 933	\$ 470	\$ 468	\$ 268	\$ 319	\$ —	\$ —	\$ 3,715
650-749	393	273	171	157	106	150	—	—	1,250
<650	6	11	13	18	18	27	—	—	93
Total RV and marine	\$ 1,656	\$ 1,217	\$ 654	\$ 643	\$ 392	\$ 496	\$ —	\$ —	\$ 5,058
Other consumer									
Credit Quality Indicator (2):									
750+	\$ 458	\$ 125	\$ 138	\$ 50	\$ 38	\$ 97	\$ 546	\$ 3	\$ 1,455
650-749	49	22	34	11	9	19	294	24	462
<650	2	2	5	2	—	1	27	17	56
Total Other consumer	\$ 509	\$ 149	\$ 177	\$ 63	\$ 47	\$ 117	\$ 867	\$ 44	\$ 1,973

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As of December 31, 2020									
Term Loans Amortized Cost Basis by Origination Year									
<i>(dollar amounts in millions)</i>	2020	2019	2018	2017	2016	Prior	Revolver Total at Amortized Cost Basis	Revolver Total Converted to Term Loans	Total
Commercial and industrial									
Credit Quality Indicator (1):									
Pass	\$ 12,599	\$ 4,161	\$ 2,537	\$ 1,192	\$ 837	\$ 815	\$ 8,894	\$ 2	\$ 31,037
OLEM	415	112	65	24	32	22	124	—	794
Substandard	195	125	181	203	41	147	423	—	1,315
Doubtful	2	—	1	—	—	1	1	—	5
Total Commercial and industrial	\$ 13,211	\$ 4,398	\$ 2,784	\$ 1,419	\$ 910	\$ 985	\$ 9,442	\$ 2	\$ 33,151
Commercial real estate									
Credit Quality Indicator (1):									
Pass	\$ 1,742	\$ 1,610	\$ 1,122	\$ 507	\$ 507	\$ 539	\$ 633	\$ —	\$ 6,660
OLEM	94	78	63	37	28	14	4	—	318
Substandard	27	46	10	29	58	14	36	—	220
Doubtful	—	—	—	—	—	1	—	—	1
Total Commercial real estate	\$ 1,863	\$ 1,734	\$ 1,195	\$ 573	\$ 593	\$ 568	\$ 673	\$ —	\$ 7,199
Lease financing									
Credit Quality Indicator (1):									
Pass	\$ 1,158	\$ 364	\$ 221	\$ 155	\$ 137	\$ 101	\$ —	\$ —	\$ 2,136
OLEM	6	4	4	6	1	—	—	—	21
Substandard	1	19	7	21	5	12	—	—	65
Total Lease financing	\$ 1,165	\$ 387	\$ 232	\$ 182	\$ 143	\$ 113	\$ —	\$ —	\$ 2,222
Residential mortgage									
Credit Quality Indicator (2):									
750+	\$ 3,269	\$ 1,370	\$ 891	\$ 1,064	\$ 762	\$ 1,243	\$ 1	\$ —	\$ 8,600
650-749	991	435	307	278	171	495	—	—	2,677
<650	34	89	111	108	81	348	—	—	771
Total Residential mortgage	\$ 4,294	\$ 1,894	\$ 1,309	\$ 1,450	\$ 1,014	\$ 2,086	\$ 1	\$ —	\$ 12,048
Automobile									
Credit Quality Indicator (2):									
750+	\$ 2,670	\$ 2,013	\$ 1,144	\$ 742	\$ 317	\$ 81	\$ —	\$ —	\$ 6,967
650-749	1,965	1,343	755	386	175	52	—	—	4,676
<650	312	301	244	157	84	37	—	—	1,135
Total Automobile	\$ 4,947	\$ 3,657	\$ 2,143	\$ 1,285	\$ 576	\$ 170	\$ —	\$ —	\$ 12,778
Home equity									
Credit Quality Indicator (2):									
750+	\$ 793	\$ 26	\$ 26	\$ 32	\$ 89	\$ 451	\$ 4,373	\$ 192	\$ 5,982
650-749	147	9	8	11	27	157	1,906	181	2,446
<650	1	1	1	1	6	70	286	99	465
Total Home equity	\$ 941	\$ 36	\$ 35	\$ 44	\$ 122	\$ 678	\$ 6,565	\$ 472	\$ 8,893
RV and marine									
Credit Quality Indicator (2):									
750+	\$ 1,136	\$ 525	\$ 589	\$ 337	\$ 153	\$ 254	\$ —	\$ —	\$ 2,994
650-749	348	215	201	136	64	129	—	—	1,093
<650	4	15	21	22	12	29	—	—	103
Total RV and marine	\$ 1,488	\$ 755	\$ 811	\$ 495	\$ 229	\$ 412	\$ —	\$ —	\$ 4,190
Other consumer									
Credit Quality Indicator (2):									
750+	\$ 69	\$ 58	\$ 26	\$ 8	\$ 4	\$ 14	\$ 340	\$ 2	\$ 521
650-749	36	56	17	5	2	3	294	30	443
<650	2	8	3	1	—	1	26	28	69
Total Other consumer	\$ 107	\$ 122	\$ 46	\$ 14	\$ 6	\$ 18	\$ 660	\$ 60	\$ 1,033

- (1) Consistent with the credit quality disclosures, indicators for the Commercial portfolio are based on internally defined categories of credit grades which are generally refreshed at least semi-annually.
(2) Consistent with the credit quality disclosures, indicators for the Consumer portfolio are based on updated customer credit scores refreshed at least quarterly.

TDR Loans

In response to the COVID-19 pandemic, on March 22, 2020 and April 7, 2020, the federal bank regulatory agencies including the FRB and OCC released statements encouraging financial institutions to work prudently with borrowers that may be unable to meet their contractual obligations because of the effects of COVID-19. The statements go on to explain that, in consultation with the FASB staff, the federal bank regulatory agencies concluded that short-term modifications (e.g. six months) made on a good faith basis to borrowers who were current as of the implementation date of a relief program are not TDRs. Section 4013 of the CARES Act, as amended by Section 541 of the CARES Act further addresses COVID-19 related modifications occurring between March 1, 2020 through January 1, 2022 and specifies that such COVID-19 related modifications on loans that were current as of December 31, 2019 are not TDRs.

For COVID-19 related loan modifications which met the criteria under the CARES Act, Huntington elected to suspend TDR accounting. For loan modifications not eligible for the CARES Act, Huntington applied the interagency regulatory guidance that was clarified on April 7, 2020. Accordingly, insignificant concessions (related to the current COVID-19 crisis) granted through payment deferrals, fee waivers, or other short-term modifications (generally 6 months or less) and provided to borrowers less than 30 days past due at March 17, 2020 were not deemed to be TDRs. Therefore, modified loans that met the required guidelines for relief are excluded from the TDR disclosures below.

The amount of interest that would have been recorded under the original terms for total accruing TDR loans was \$2 million, \$46 million, and \$52 million for 2021, 2020, and 2019, respectively. The total amount of actual interest recorded to interest income for these loans was \$39 million, \$43 million, and \$49 million for 2021, 2020, and 2019, respectively.

TDR Concession Types

The Company's standards relating to loan modifications consider, among other factors, minimum verified income requirements, cash flow analyses, and collateral valuations. Each potential loan modification is reviewed individually and the terms of the loan are modified to meet a borrower's specific circumstances at a point in time. All commercial TDRs are reviewed and approved by our FRG.

Following is a description of TDRs by the different loan types:

Commercial loan TDRs— Our strategy involving commercial TDR borrowers includes working with these borrowers to allow them to refinance elsewhere, as well as allow them time to improve their financial position and remain a Huntington customer through refinancing their notes according to market terms and conditions in the future. A subsequent refinancing or modification of a loan may occur when either the loan matures according to the terms of the TDR-modified agreement or the borrower requests a change to the loan agreements. At that time, the loan is evaluated to determine if the borrower is creditworthy. It is subjected to the normal underwriting standards and processes for other similar credit extensions, both new and existing. The refinanced note is evaluated to determine if it is considered a new loan or a continuation of the prior loan.

Consumer loan TDRs— Residential mortgage TDRs represent loan modifications associated with traditional first-lien mortgage loans in which a concession has been provided to the borrower. The primary concessions given to residential mortgage borrowers are amortization or maturity date changes and interest rate reductions. Residential mortgages identified as TDRs involve borrowers unable to refinance their mortgages through the Company's normal mortgage origination channels or through other independent sources. Some, but not all, of the loans may be delinquent. The Company may make similar interest rate, term, and principal concessions for Automobile, Home Equity, RV and Marine and Other Consumer loan TDRs.

TDR Impact on Credit Quality

Huntington's ALLL is largely determined by risk ratings assigned to commercial loans, updated borrower credit scores on consumer loans, and borrower delinquency history in both the commercial and consumer portfolios. These risk ratings and credit scores consider the default history of the borrower, including payment redefaults. As such, the provision for credit losses is impacted primarily by changes in borrower payment performance rather than the TDR classification. TDRs can be classified as either accrual or nonaccrual loans. Nonaccrual TDRs are included in NALs whereas accruing TDRs are excluded from NALs as it is probable that all contractual principal and interest due under the restructured terms will be collected.

The Company's TDRs may include multiple concessions and the disclosure classifications are presented based on the primary concession provided to the borrower.

The following table presents, by class and modification type, the number of contracts, post-modification outstanding balance, and the financial effects of the modification for the years ended December 31, 2021 and 2020.

New Troubled Debt Restructurings (1)						
Year Ended December 31, 2021						
Post-modification Outstanding Recorded Investment (2)						
<i>(dollar amounts in millions)</i>	Number of Contracts	Interest rate reduction	Amortization or maturity date change	Chapter 7 bankruptcy	Other	Total
Commercial and industrial	76	\$ 29	\$ 25	\$ —	\$ —	\$ 54
Commercial real estate	5	—	—	—	—	—
Residential mortgage	320	—	39	6	—	45
Automobile	2,442	—	16	4	—	20
Home equity	214	—	4	7	—	11
RV and marine	138	1	2	1	—	4
Other consumer	270	—	—	—	1	1
Total new TDRs	3,465	\$ 30	\$ 86	\$ 18	\$ 1	\$ 135

Year Ended December 31, 2020						
Post-modification Outstanding Recorded Investment (2)						
<i>(dollar amounts in millions)</i>	Number of Contracts	Interest rate reduction	Amortization or maturity date change	Chapter 7 bankruptcy	Other	Total
Commercial and industrial	317	\$ —	\$ 123	\$ —	\$ 58	\$ 181
Commercial real estate	13	—	3	—	—	3
Residential mortgage	585	—	79	7	—	86
Automobile	3,018	—	29	6	—	35
Home equity	273	—	6	8	2	16
RV and marine	168	—	4	1	—	5
Other consumer	622	3	—	—	1	4
Total new TDRs	4,996	\$ 3	\$ 244	\$ 22	\$ 61	\$ 330

(1) TDRs may include multiple concessions and the disclosure classifications are based on the primary concession provided to the borrower.

(2) Post-modification balances approximate pre-modification balances.

Pledged Loans

The Bank has access to the Federal Reserve's discount window and advances from the FHLB. As of December 31, 2021 and 2020, these borrowings and advances are secured by \$61.1 billion and \$43.0 billion, respectively, of loans.

6. ALLOWANCE FOR CREDIT LOSSES

On January 1, 2020, Huntington adopted ASU 2016-13 Financial Instruments - Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology.

Huntington adopted ASC Topic 326 using the modified retrospective method for all financial assets in scope of the standard. Results for reporting periods beginning after January 1, 2020 are presented under ASC Topic 326, while prior period amounts continue to be reported in accordance with previously applicable GAAP. Upon adoption, Huntington recorded an increase to the ACL of \$393 million and a corresponding decrease to retained earnings of approximately \$306 million, net of tax of \$87 million. The overall increase to the ACL at adoption is comprised of a \$180 million increase in the commercial ALLL, a \$211 million increase in the consumer ALLL, and a \$2 million increase to the AULC.

Allowance for Credit Losses - Roll-forward

The following table presents ACL activity by portfolio segment for the years ended December 31, 2021, 2020, and 2019:

<i>(dollar amounts in millions)</i>	Commercial	Consumer	Total
Year ended December 31, 2021:			
ALLL balance, beginning of period	\$ 1,236	\$ 578	\$ 1,814
Loan and lease charge-offs (1)	(243)	(139)	(382)
Recoveries of loans and leases previously charged-off	83	84	167
Provision (benefit) for loan and lease losses	12	(13)	(1)
Allowance on PCD loans and leases at acquisition	374	58	432
ALLL balance, end of period	<u>\$ 1,462</u>	<u>\$ 568</u>	<u>\$ 2,030</u>
AULC balance, beginning of period	\$ 34	\$ 18	\$ 52
Provision for unfunded lending commitments	8	18	26
Unfunded lending commitment losses	(1)	—	(1)
AULC balance, end of period	<u>\$ 41</u>	<u>\$ 36</u>	<u>\$ 77</u>
ACL balance, end of period	<u>\$ 1,503</u>	<u>\$ 604</u>	<u>\$ 2,107</u>
Year ended December 31, 2020:			
ALLL balance, beginning of period	\$ 552	\$ 231	\$ 783
Cumulative-effect of change in accounting principle for financial instruments - credit losses (2)	180	211	391
Loan and lease charge-offs	(374)	(166)	(540)
Recoveries of loans and leases previously charged-off	32	59	91
Provision for loan and lease losses	846	243	1,089
ALLL balance, end of period	<u>\$ 1,236</u>	<u>\$ 578</u>	<u>\$ 1,814</u>
AULC balance, beginning of period	\$ 102	\$ 2	\$ 104
Cumulative-effect of change in accounting principle for financial instruments - credit losses (4)	(38)	40	2
Provision (benefit) for unfunded lending commitments	(17)	(24)	(41)
Unfunded lending commitment losses	(13)	—	(13)
AULC balance, end of period	<u>\$ 34</u>	<u>\$ 18</u>	<u>\$ 52</u>
ACL balance, end of period	<u>\$ 1,270</u>	<u>\$ 596</u>	<u>\$ 1,866</u>
Year ended December 31, 2019:			
ALLL balance, beginning of period	\$ 542	\$ 230	\$ 772
Loan and lease charge-offs	(165)	(197)	(362)
Recoveries of loans and leases previously charged-off	40	57	97
Provision for loan and lease losses	135	142	277
Allowance for loans sold or transferred to loans held for sale	—	(1)	(1)
ALLL balance, end of period	<u>\$ 552</u>	<u>\$ 231</u>	<u>\$ 783</u>
AULC balance, beginning of period	\$ 94	\$ 2	\$ 96
Provision for unfunded lending commitments	10	—	10
Unfunded lending commitment losses	(2)	—	(2)
AULC balance, end of period	<u>\$ 102</u>	<u>\$ 2</u>	<u>\$ 104</u>
ACL balance, end of period	<u>\$ 654</u>	<u>\$ 233</u>	<u>\$ 887</u>

(1) Net charge-offs and associated metrics for the year ended December 31, 2021 exclude \$0 million of charge-offs recognized immediately upon completion of the TCF acquisition and related to required purchase accounting treatment.

(2) Relates to day one impact of the CECL adjustment as a result of the implementation of ASU 2016-13.

At December 31, 2021, the ACL was \$2.1 billion, an increase of \$241 million from the December 31, 2020 balance of \$1.9 billion. The increase was primarily related to the TCF acquisition and associated allowance attributable to the acquired loans and leases and unfunded lending commitments, partially offset by improvement in the forecasted macroeconomic environment resulting from anticipated lower unemployment and higher GDP.

The economic scenarios used in the December 31, 2021 ACL determination contained significant judgmental assumptions. While we have incorporated estimates of economic uncertainty into our ACL, the ultimate impact the unprecedented levels of government fiscal and monetary actions will have on the economy, including inflation and our credit losses remains uncertain. Given the uncertainty associated with key economic scenario assumptions, the December 31, 2021 ACL included a general reserve that consists of various risk profile components, including profiles related to the commercial real estate portfolio, to capture economic uncertainty risk not addressed within the quantitative transaction reserve.

7. MORTGAGE LOAN SALES AND SERVICING RIGHTS

Residential Mortgage Portfolio

The following table summarizes activity relating to residential mortgage loans sold with servicing retained for the years ended December 31, 2021, 2020, and 2019:

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Residential mortgage loans sold with servicing retained	\$ 9,702	\$ 8,436	\$ 4,841
Pretax gains resulting from above loan sales (1)	356	311	119

(1) Recorded in mortgage banking income.

The following table summarizes the changes in MSR values recorded using the fair value method for the years ended December 31, 2021 and 2020 (1):

<i>(dollar amounts in millions)</i>	Year Ended December 31,	
	2021	2020
Fair value, beginning of period	\$ 210	\$ 7
Fair value election for servicing assets previously measured using the amortized method	—	205
Servicing assets obtained in acquisition	59	—
New servicing assets created	135	102
Change in fair value during the period due to:		
Time decay (1)	(15)	(9)
Payoffs (2)	(65)	(43)
Changes in valuation inputs or assumptions (3)	27	(52)
Fair value, end of period	\$ 351	\$ 210
Weighted-average life (years)	7.0	7.1

(1) Represents decrease in value due to passage of time, including the impact from both regularly scheduled principal payments and partial loan paydowns.

(2) Represents decrease in value associated with loans that paid off during the period.

(3) Represents change in value resulting primarily from market-driven changes in interest rates.

MSRs do not trade in an active, open market with readily observable prices. Therefore, the fair value of MSRs is estimated using a discounted future cash flow model. Changes in the assumptions used may have a significant impact on the valuation of MSRs. MSR values are sensitive to movement in interest rates as expected future net servicing income depends on the projected outstanding principal balances of the underlying loans, which are impacted by the level of prepayments.

A summary of key assumptions and the sensitivity of the MSR value to changes in these assumptions at December 31, 2021, and December 31, 2020 follows:

<i>(dollar amounts in millions)</i>	December 31, 2021			December 31, 2020		
	Actual	Decline in fair value due to		Actual	Decline in fair value due to	
		10% adverse change	20% adverse change		10% adverse change	20% adverse change
Constant prepayment rate <i>(annualized)</i>	12.28 %	\$ (17)	\$ (32)	17.36 %	\$ (12)	\$ (23)
Spread over forward interest rate swap rates	466 bps	(7)	(13)	519 bps	(4)	(8)

Total servicing, late and other ancillary fees included in mortgage banking income was \$9 million, \$64 million, and \$63 million for the years ended December 31, 2021, 2020, and 2019, respectively. The unpaid principal balance of residential mortgage loans serviced for third parties was \$31.0 billion, \$23.5 billion, and \$22.4 billion at December 31, 2021, 2020, and 2019, respectively.

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Business segments are based on segment leadership structure, which reflects how segment performance is monitored and assessed. We have four major business segments: Consumer and Business Banking, Commercial Banking, Vehicle Finance, and Regional Banking and The Huntington Private Client Group (RBHPCG). The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

A rollforward of goodwill by business segment, is presented in the table below:

<i>(dollar amounts in millions)</i>	Consumer & Business Banking	Commercial Banking	Vehicle Finance	RBHPCG	Treasury/ Other	Huntington Consolidated
Balance, December 31, 2020	1,393	427	—	170	—	1,990
TCF acquisition	2,026	1,272	—	61	—	3,359
Balance, December 31, 2021	<u>\$ 3,419</u>	<u>\$ 1,699</u>	<u>\$ —</u>	<u>\$ 231</u>	<u>\$ —</u>	<u>\$ 5,349</u>

For additional information on the acquisition, refer to Note 2 [“Acquisition of TCF Financial Corporation”](#).

Goodwill is not amortized but is evaluated for impairment on an annual basis at October 1 of each year or whenever events or changes in circumstances indicate the carrying value may not be recoverable. No impairment was recorded in 2021 or 2020.

At December 31, 2021 and 2020, Huntington’s other intangible assets consisted of the following:

<i>(dollar amounts in millions)</i>	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
December 31, 2021			
Core deposit intangible	\$ 389	\$ (175)	\$ 214
Customer relationship	108	(80)	28
Total other intangible assets	<u>\$ 497</u>	<u>\$ (255)</u>	<u>\$ 242</u>
December 31, 2020			
Core deposit intangible	\$ 310	\$ (150)	\$ 160
Customer relationship	101	(70)	31
Total other intangible assets	<u>\$ 411</u>	<u>\$ (220)</u>	<u>\$ 191</u>

The estimated amortization expense of other intangible assets for the next five years is as follows:

<i>(dollar amounts in millions)</i>	Amortization Expense
2022	\$ 53
2023	49
2024	45
2025	42
2026	28

9. PREMISES AND EQUIPMENT

Premises and equipment were comprised of the following at December 31, 2021 and 2020:

<i>(dollar amounts in millions)</i>	At December 31,	
	2021	2020
Land and land improvements	\$ 335	\$ 198
Buildings	807	586
Leasehold improvements	219	203
Equipment	852	736
Total premises and equipment	2,213	1,723
Less accumulated depreciation and amortization	(1,049)	(966)
Net premises and equipment	\$ 1,164	\$ 757

Depreciation and amortization charged to expense and rental income credited to net occupancy expense for the three years ended December 31, 2021, 2020, and 2019 were:

<i>(dollar amounts in millions)</i>	2021	2020	2019
Total depreciation and amortization of premises and equipment	\$ 178	\$ 119	\$ 116
Rental income credited to net occupancy expense	9	10	11

10. OPERATING LEASES

At December 31, 2021, Huntington was obligated under non-cancelable leases for branch and office space. These leases are all classified as operating due to the amount of time such spaces are occupied relative to the underlying assets useful lives. Many of these leases contain renewal options, most of which are not included in measurement of the right-of-use asset as they are not considered reasonably certain of exercise (i.e., Huntington does not currently have a significant economic incentive to exercise these options). Some leases contain escalation clauses calling for rentals to be adjusted for increased real estate taxes and other operating expenses or proportionately adjusted for increases in the consumer or other price indices. Occasionally, Huntington will sublease the land and buildings for which it has obtained the right to use; substantially all of those sublease arrangements are classified as operating, with sublease income recognized on a straight-line basis over the contractual term of the arrangement.

Net lease assets and liabilities at December 31, 2021 and 2020 are as follows:

<i>(dollar amounts in millions)</i>	Classification	At December 31,	
		2021	2020
Assets			
Operating lease assets	Other assets	\$ 316	\$ 199
Liabilities			
Lease liabilities	Other liabilities	\$ 441	\$ 220

Net lease cost for the years ended December 31, 2021 and 2020 are as follows:

<i>(dollar amounts in millions)</i>	Classification	Year Ended December 31,	
		2021	2020
Operating lease cost	Net occupancy	\$ 104	\$ 50
Short-term lease cost	Net occupancy	3	1
Sublease income	Net occupancy	(2)	(2)
Net lease cost		\$ 105	\$ 49

Maturity of lease liabilities at December 31, 2021 are as follows:

<i>(dollar amounts in millions)</i>	Total
2022	\$ 64
2023	63
2024	52
2025	43
2026	36
Thereafter	263
Total lease payments	\$ 521
Less: Interest	(80)
Total lease liabilities	\$ 441

Additional supplemental information related to the Company's operating leases as of December 31, 2021 and 2020 are as follows:

<i>(dollar amounts in millions)</i>	Year Ended December 31,			
	2021		2020	
Cash paid for amounts included in the measurement of lease liabilities for operating cash flows	\$	(50)	\$	(53)
Right-of-use assets obtained in exchange for lease obligations for operating leases		174		23
Weighted-average remaining lease term (years) for operating leases		11.24		7.17
Weighted-average discount rate for operating leases		3.87 %		4.26 %

11. BORROWINGS

Borrowings with original maturities of one year or less are classified as short-term and were comprised of the following at December 31, 2021 and 2020, respectively:

<i>(dollar amounts in millions)</i>	At December 31,			
	2021		2020	
Federal funds purchased and securities sold under agreements to repurchase	\$	320	\$	71
Other borrowings		14		112
Total short-term borrowings	\$	334	\$	183

Huntington's long-term debt consisted of the following:

<i>(dollar amounts in millions)</i>	At December 31,	
	2021	2020
The Parent Company:		
Senior Notes:		
3.19% Huntington Bancshares Incorporated medium-term notes due 2021	\$ —	\$ 802
2.33% Huntington Bancshares Incorporated senior notes due 2022	—	699
2.67% Huntington Bancshares Incorporated senior notes due 2024	812	838
4.05% Huntington Bancshares Incorporated senior notes due 2025	527	553
2.60% Huntington Bancshares Incorporated senior notes due 2030	744	743
Subordinated Notes:		
3.55% Huntington Bancshares Incorporated subordinated notes due 2023	227	256
Huntington Capital I Trust Preferred 0.91% junior subordinated debentures due 2027 (1)	69	69
Huntington Capital II Trust Preferred 0.83% junior subordinated debentures due 2028 (2)	32	32
Sky Financial Capital Trust III 1.61% junior subordinated debentures due 2036 (3)	72	72
Sky Financial Capital Trust IV 1.61% junior subordinated debentures due 2036 (3)	74	74
2.54% Huntington Bancshares Incorporated subordinated notes due 2036	554	—
Camco Financial Statutory Trust I 1.57% due 2037	—	4
Total notes issued by the parent	3,111	4,142
The Bank:		
Senior Notes:		
0.79% Huntington National Bank senior notes due 2021	—	298
3.33% Huntington National Bank senior notes due 2021	—	752
2.55% Huntington National Bank senior notes due 2022	703	710
3.16% Huntington National Bank senior notes due 2022	500	511
1.83% Huntington National Bank senior notes due 2023	483	489
3.60% Huntington National Bank senior notes due 2023	748	773
Subordinated Notes:		
0.64% Huntington National Bank subordinated notes due 2022	113	—
0.96% Huntington National Bank subordinated notes due 2025	142	—
3.86% Huntington National Bank subordinated notes due 2026	226	233
3.03% Huntington National Bank subordinated notes due 2029	161	—
3.75% Huntington National Bank subordinated notes due 2030	169	—
Total notes issued by the bank	3,245	3,766
FHLB Advances:		
1.04% weighted average rate, varying maturities greater than one year	215	3
Other:		
Huntington Technology Finance nonrecourse debt, 3.15% weighted average interest rate, varying maturities	287	266
2.09% Huntington Preferred Capital II - Class F securities (4)	75	75
2.09% Huntington Preferred Capital II - Class G securities (4)	50	50
2.21% Huntington Preferred Capital II - Class I securities (5)	50	50
2.65% Huntington Preferred Capital II - Class J Securities (6)	75	—
Total long-term debt	\$ 7,108	\$ 8,352

- (1) Variable effective rate at December 31, 2021, based on three-month LIBOR +0.70%
- (2) Variable effective rate at December 31, 2021, based on three-month LIBOR +0.625%
- (3) Variable effective rate at December 31, 2021, based on three-month LIBOR +1.40%
- (4) Variable effective rate at December 31, 2021, based on three-month LIBOR +1.88%
- (5) Variable effective rate at December 31, 2021, based on three-month LIBOR +2.00%
- (6) Variable effective rate at December 31, 2021 based on three-month SOFR +2.60%

Amounts above are net of unamortized discounts and adjustments related to hedging with derivative financial instruments. We use interest rate swaps to hedge interest rate risk of certain fixed-rate debt by converting the debt to a variable rate. See Note 20 - "[Derivative Financial Instruments](#)" for more information regarding such financial instruments.

Long-term debt maturities for the next five years and thereafter are as follows:

<i>(dollar amounts in millions)</i>	2022	2023	2024	2025	2026	Thereafter	Total
The Parent Company:							
Senior notes	\$ —	\$ —	\$ 800	\$ 500	\$ —	\$ 750	\$ 2,050
Subordinated notes	—	225	—	—	—	809	1,034
The Bank:							
Senior notes	1,198	1,202	—	—	—	—	2,400
Subordinated notes	110	—	—	130	239	300	779
FHLB Advances	1	1	—	200	—	1	203
Other	106	128	116	57	127	3	537
Total	\$ 1,415	\$ 1,556	\$ 916	\$ 887	\$ 366	\$ 1,863	\$ 7,003

These maturities are based upon the par values of the long-term debt.

The terms of certain long-term debt obligations contain various restrictive covenants including limitations on the acquisition of additional debt, dividend payments, and the disposition of subsidiaries. As of December 31, 2021, Huntington was in compliance with all such covenants.

12. OTHER COMPREHENSIVE INCOME

The components of Huntington's OCI for the years ended December 31, 2021, 2020, and 2019, were as follows:

<i>(dollar amounts in millions)</i>	Pretax	Tax (expense) benefit	After-tax
Year Ended December 31, 2021			
Unrealized (losses) gains on available-for-sale securities arising during the period	(474)	107	(367)
Less: Reclassification adjustment for realized net losses (gains) included in net income	34	(8)	26
Total unrealized (losses) gains on available-for-sale securities	(440)	99	(341)
Change in fair value related to cash flow hedges	(144)	39	(105)
Foreign currency translation adjustment (1)	(12)	—	(12)
Net unrealized gains (losses) on net investment hedges	9	—	9
Translation adjustments, net of hedges (1)	(3)	—	(3)
Change in accumulated unrealized gains (losses) for pension and other post-retirement obligations	36	(8)	28
Other comprehensive loss	(551)	130	(421)
Year Ended December 31, 2020			
Unrealized gains (losses) on available-for-sale securities arising during the period	235	(52)	183
Less: Reclassification adjustment for realized net losses (gains) included in net income	42	(9)	33
Total unrealized gains (losses) on available-for-sale securities	277	(61)	216
Change in fair value related to cash flow hedges	302	(68)	234
Change in accumulated unrealized (losses) gains for pension and other post-retirement obligations (2)	(3)	1	(2)
Other comprehensive income	576	(128)	448
Year Ended December 31, 2019			
Unrealized gains (losses) on available-for-sale securities arising during the period	403	(89)	314
Less: Reclassification adjustment for realized net losses (gains) included in net income	26	(5)	21
Total unrealized gains (losses) on available-for-sale securities	429	(94)	335
Change in fair value related to cash flow hedges	26	(3)	23
Change in accumulated unrealized gains (losses) for pension and other post-retirement obligations	(7)	2	(5)
Other comprehensive income	448	(95)	353

(1) Foreign investments are deemed to be permanent in nature and, therefore, Huntington does not provide for taxes on foreign currency translation adjustments.

(2) Includes a settlement gain recognized in other noninterest income on the Consolidated Statements of Income.

Activity in accumulated OCI for the years ended December 31, 2021 and 2020 were as follows:

<i>(dollar amounts in millions)</i>	Unrealized (losses) gains on debt securities (1)	Change in fair value related to cash flow hedges	Translation adjustments, net of hedges	Unrealized (losses) gains for pension and other post-retirement obligations	Total
December 31, 2018	\$ (363)	\$ —	\$ —	\$ (246)	\$ (609)
Other comprehensive income before reclassifications	\$ 314	\$ 23	\$ —	\$ —	\$ 337
Amounts reclassified from accumulated OCI to earnings	\$ 21	\$ —	\$ —	\$ (5)	\$ 16
Period change	\$ 335	\$ 23	\$ —	\$ (5)	\$ 353
December 31, 2019	\$ (28)	\$ 23	\$ —	\$ (251)	\$ (256)
Other comprehensive income before reclassifications	183	234	—	—	417
Amounts reclassified from accumulated OCI to earnings	33	—	—	(2)	31
Period change	216	234	—	(2)	448
December 31, 2020	188	257	—	(253)	192
Other comprehensive income before reclassifications	(367)	(105)	(3)	—	(475)
Amounts reclassified from accumulated OCI to earnings	26	—	—	28	54
Period change	(341)	(105)	(3)	28	(421)
December 31, 2021	\$ (153)	\$ 152	\$ (3)	\$ (225)	\$ (229)

(1) AOCI amounts at December 31, 2021, 2020, and 2019 include \$5 million, \$69 million and \$121 million, respectively, of net unrealized losses on securities transferred from the available-for-sale securities portfolio to the held-to-maturity securities portfolio. The net unrealized losses will be recognized in earnings over the remaining life of the security using the effective interest method.

13. SHAREHOLDERS' EQUITY

The following is a summary of Huntington's non-cumulative, non-voting, perpetual preferred stock outstanding as of December 31, 2021.

<i>(dollar amounts in millions)</i>	Series	Issuance Date	Shares Outstanding	Dividend Rate	Earliest Redemption Date (1)	Carrying Amount	
						December 31, 2021	December 31, 2020
	Series B (2)	12/28/2011	35,500	3-mo. LIBOR +270 bps	1/15/2017	\$ 23	\$ 23
	Series D	3/21/2016	—	6.25 %	4/15/2021	—	386
	Series D	5/5/2016	—	6.25	4/15/2021	—	199
	Series C	8/16/2016	—	5.875	10/15/2021	—	100
	Series E (3)	2/27/2018	5,000	5.70	4/15/2023	495	495
	Series F (3)	5/27/2020	5,000	5.625	7/15/2030	494	494
	Series G (3)	8/3/2020	5,000	4.45	10/15/2027	494	494
	Series H (2)	2/2/2021	500,000	4.50	4/15/2026	486	—
	Series I (3)	6/9/2021	7,000	5.70	12/01/2022	175	—
	Total		557,500			\$ 2,167	\$ 2,191

(1) Denotes earliest optional redemption date. Earlier redemption is solely at Huntington's option, subject to prior approval of FRB.

(2) Series B and H of preferred stock have a liquidation value and redemption price per share of \$500, plus any declared and unpaid dividends.

(3) Series E, F, G, and I preferred stock have a liquidation value and redemption price per share of \$100,000, plus any declared and unpaid dividends.

Preferred Stock redemptions

On July 15, 2021, all \$600 million of outstanding 6.250% Series D Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, were redeemed.

On October 15, 2021, all \$100 million of outstanding 5.875% Series C Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, were redeemed.

Preferred Series H Stock issued and outstanding

On February 2, 2021, Huntington issued \$500 million of preferred stock. Huntington issued 20,000,000 depositary shares, each representing a 1/40th ownership interest in a share of 4.50% Series H Non-Cumulative Perpetual Preferred Stock (Preferred H Stock), par value \$0.01 per share, with a liquidation preference of \$1,000 per share (equivalent to \$25 per depositary share). Each holder of a depositary share, will be entitled to all proportional rights and preferences of the Preferred H Stock (including dividend, voting, redemption, and liquidation rights). Costs of \$6 million related to the issuance of the Preferred H Stock are reported as a direct deduction from the face amount of the stock.

Preferred Series I Stock issued and outstanding

On June 9, 2021, each share of TCF Financial Corporation 5.70% Series C Non-Cumulative Perpetual Preferred Stock, no par value, outstanding immediately prior to the acquisition of TCF Financial Corporation was converted into the right to receive a share of the newly created Huntington 5.70% Series I Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share.

The following table presents the dividends declared for each series of Preferred shares for the years ended December 31, 2021, 2020, and 2019:

(amounts in millions, except per share data)

Preferred Series	Cash Dividend Declared Per Share	Amount (\$)
Year Ended December 31, 2021		
Series B	\$ 28.69	\$ (1)
Series C	44.07	(4)
Series D	31.25	(18)
Series E	5,700.00	(29)
Series F	5,625.00	(28)
Series G	4,450.00	(23)
Series H	42.00	(21)
Series I	1,068.75	(7)
		<u>\$ (131)</u>
Year Ended December 31, 2020		
Series B	\$ 35.91	\$ (1)
Series C	58.76	(6)
Series D	62.50	(37)
Series E	5,700.00	(29)
Series F	3,468.75	(17)
Series G	1,915.97	(10)
		<u>\$ (100)</u>
Year Ended December 31, 2019		
Series B	\$ 51.22	\$ (2)
Series C	58.76	(6)
Series D	62.50	(37)
Series E	5,700.00	(29)
		<u>\$ (74)</u>

Change in Common Shares Authorized

During the second quarter of 2021, Huntington amended its charter to increase the number of authorized shares of common stock from 1.5 billion shares to 2.25 billion shares.

Share Repurchases

On July 21, 2021, the Board authorized the repurchase of up to \$500 million of common shares within the four quarter period from the third quarter of 2021 through the second quarter of 2022. Purchases of common stock under the authorization may include open market purchases, privately negotiated transactions, and accelerated share repurchase programs. During 2021, Huntington repurchased a total of \$650 million of common stock, representing 43.1 million common shares, at a weighted average price of \$15.07.

Treasury shares

Treasury shares includes shares held for deferred compensation plans, at cost, of \$9 million at December 31, 2021 and \$59 million at December 31, 2020.

Non-controlling Interest in Subsidiaries

Through the acquisition of TCF, Huntington acquired a joint venture in which Huntington maintains a 5% ownership interest. As Huntington has a controlling financial interest, its financial results are consolidated in Huntington's financial statements and the other party's 45% ownership interest is reported as a non-controlling interest within equity.

14. EARNINGS PER SHARE

Basic earnings per share is the amount of earnings (adjusted for dividends declared on preferred stock and impact of preferred stock redemption) available to each share of common stock outstanding during the reporting period. Diluted earnings per share is the amount of earnings available to each share of common stock outstanding during the reporting period adjusted to include the effect of potentially dilutive common shares. Potentially dilutive common shares include incremental shares issued for stock options, restricted stock units and awards, and distributions from deferred compensation plans. Potentially dilutive common shares are excluded from the computation of diluted earnings per share in periods in which the effect would be antidilutive.

The calculation of basic and diluted earnings per share for the years ended December 31, 2021, 2020, and 2019:

<i>(dollar amounts in millions, except per share data, share count in thousands)</i>	Year Ended December 31,		
	2021	2020	2019
Basic earnings per common share:			
Net income attributable to Huntington Bancshares Inc	\$ 1,295	\$ 817	\$ 1,411
Dividends on preferred shares	131	100	74
Impact of preferred stock redemption	11	—	—
Net income available to common shares	\$ 1,153	\$ 717	\$ 1,337
Average common shares issued and outstanding	1,262,435	1,017,117	1,038,840
Basic earnings per common share	\$ 0.91	\$ 0.71	\$ 1.29
Diluted earnings per common share:			
Dilutive potential common shares			
Stock options and restricted stock units and awards	18,185	10,613	12,994
Shares held in deferred compensation plans	6,113	4,953	4,245
Dilutive potential common shares	24,298	15,566	17,239
Total diluted average common shares issued and outstanding	1,286,733	1,032,683	1,056,079
Diluted earnings per common share	\$ 0.90	\$ 0.69	\$ 1.27
Anti-dilutive awards (1)	2,674	9,760	5,253

(1) Reflects the total number of shares related to outstanding options that have been excluded from the computation of diluted earnings per share because the impact would have been anti-dilutive.

15. NONINTEREST INCOME

Huntington earns a variety of revenue including interest and fees from customers as well as revenues from non-customers. Certain sources of revenue are recognized within interest or fee income and are outside of the scope of ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). Other sources of revenue fall within the scope of ASC 606 and are generally recognized within noninterest income. These revenues are included within various sections of the Consolidated Financial Statements. The following table shows Huntington’s total noninterest income segregated between contracts with customers within the scope of ASC 606 and those within the scope of other GAAP Topics.

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Noninterest income			
Noninterest income from contracts with customers	\$ 1,113	\$ 884	\$ 939
Noninterest income within the scope of other GAAP topics	776	707	515
Total noninterest income	\$ 1,889	\$ 1,591	\$ 1,454

The following table illustrates the disaggregation by operating segment and major revenue stream and reconciles disaggregated revenue to segment revenue presented in Note 25 - [“Segment Reporting”](#):

Year Ended December 31, 2021

<i>(dollar amounts in millions)</i>	Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
Major Revenue Streams						
Service charges on deposit accounts	\$ 85	\$ 278	\$ 6	\$ 3	\$ —	\$ 372
Card and payment processing income	19	292	—	—	—	311
Trust and investment management services	3	63	—	166	—	232
Insurance income	7	48	—	49	1	105
Other noninterest income	45	26	3	8	11	93
Net revenue from contracts with customers	\$ 159	\$ 707	\$ 9	\$ 226	\$ 12	\$ 1,113
Noninterest income within the scope of other GAAP topics	364	338	4	1	69	776
Total noninterest income	\$ 523	\$ 1,045	\$ 13	\$ 227	\$ 81	\$ 1,889

Year Ended December 31, 2020

<i>(dollar amounts in millions)</i>	Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
Major Revenue Streams						
Service charges on deposit accounts	\$ 74	\$ 217	\$ 6	\$ 4	\$ —	\$ 301
Card and payment processing income	15	221	—	—	—	236
Trust and investment management services	5	44	—	140	—	189
Insurance Income	7	43	—	46	1	97
Other noninterest income	22	26	2	11	—	61
Net revenue from contracts with customers	\$ 123	\$ 551	\$ 8	\$ 201	\$ 1	\$ 884
Noninterest income within the scope of other GAAP topics	241	394	1	—	71	707
Total noninterest income	\$ 364	\$ 945	\$ 9	\$ 201	\$ 72	\$ 1,591

Year Ended December 31, 2019

<i>(dollar amounts in millions)</i>	Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
Major Revenue Streams						
Service charges on deposit accounts	\$ 64	\$ 297	\$ 7	\$ 4	\$ —	\$ 372
Card and payment processing income	15	218	—	—	—	233
Trust and investment management services	4	34	—	139	1	178
Insurance Income	6	34	—	47	1	88
Other noninterest income	24	32	4	6	2	68
Net revenue from contracts with customers	\$ 113	\$ 615	\$ 11	\$ 196	\$ 4	\$ 939
Noninterest income within the scope of other GAAP topics	246	210	1	2	56	515
Total noninterest income	\$ 359	\$ 825	\$ 12	\$ 198	\$ 60	\$ 1,454

Huntington generally provides services for customers in which it acts as principal. Payment terms and conditions vary amongst services and customers, and thus impact the timing and amount of revenue recognition. Some fees may be paid before any service is rendered and accordingly, such fees are deferred until the obligations pertaining to those fees are satisfied. Most Huntington contracts with customers are cancelable by either party without penalty or they are short-term in nature, with a contract duration of less than one year. Accordingly, most revenue deferred for the reporting period ended December 31, 2021 is expected to be earned within one year. Huntington does not have significant balances of contract assets or contract liabilities and any change in those balances during the reporting period ended December 31, 2021 was determined to be immaterial.

16. SHARE-BASED COMPENSATION

Huntington sponsors nonqualified and incentive share based compensation plans. These plans provide for the granting of stock options, restricted stock awards, restricted stock units, performance share units and other awards to officers, directors, and other employees. Compensation costs are included in personnel costs on the Consolidated Statements of Income.

Huntington issues shares to fulfill stock option exercises and restricted stock unit and award vesting from available authorized common shares. At December 31, 2021, Huntington believes there are adequate authorized common shares to satisfy anticipated stock option exercises and restricted stock unit award vesting in 2022.

The following table presents total share-based compensation expense and related tax benefit for the three years ended December 31, 2021, 2020, and 2019:

<i>(dollar amounts in millions)</i>	2021		2020		2019	
Share-based compensation expense	\$	138	\$	77	\$	83
Tax benefit		22		13		15

2018 Long-Term Incentive Plan

In 2018, shareholders approved the Huntington Bancshares Incorporated 2018 Long-Term Incentive Plan (the 2018 Plan). In 2021, shareholders approved an amendment and restatement to the 2018 Plan to add an additional 30 million shares to the issuable amount under the plan. Accordingly, the total number of shares authorized under the 2018 Plan is 63 million shares. At December 31, 2021, 31 million shares from the Plan were available for future grants.

In connection with the TCF acquisition, equity awards granted under the TCF equity plans were assumed subject to the same terms and conditions applicable to such awards prior to the date of acquisition.

Stock Options

Stock options, awarded by Huntington, are granted at the closing market price on the date of the grant and vest ratably over four years or when other conditions are met. Options assumed in the TCF acquisition vest ratably over a five-year period. Stock options, which represented a portion of the grant values, have no intrinsic value until the stock price increases. Both options granted by Huntington and options assumed in the TCF acquisition have a contractual term of ten years from the date of grant.

Huntington uses the Black-Scholes option pricing model to value options in determining the share-based compensation expense. Forfeitures are estimated at the date of grant or assumption based on historical rates, and are updated as necessary, and reduce the compensation expense recognized. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant or assumption. The expected dividend yield is based on the dividend rate and stock price at the date of the grant or assumption. Expected volatility is based on the estimated volatility of Huntington's stock over the expected term of the option.

The following table presents the weighted average assumptions used in the option pricing model at the grant date for options granted in the three years ended December 31, 2021, 2020, and 2019:

Assumptions	2021		2020		2019	
Risk-free interest rate	1.25	%	0.48	%	2.41	%
Expected dividend yield	3.74		6.98		4.36	
Expected volatility of Huntington's common stock	36.8		39.7		22.5	
Expected option term (years)		6.5		6.5		6.5
Weighted-average grant date fair value per share	\$	3.93	\$	1.49	\$	1.91

Huntington's stock option activity and related information for the year ended December 31, 2021, was as follows:

<i>(dollar amounts in millions, except per share and options amounts in thousands)</i>	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2021	14,152	\$ 11.55		
Granted	1,883	16.04		
Assumed	844	12.02		
Exercised	(1,850)	10.36		
Forfeited/expired	(563)	11.01		
Outstanding at December 31, 2021	14,466	\$ 12.34	6.9	\$ 46
Expected to vest (1)	6,795	\$ 12.23	5.7	\$ 23
Exercisable at December 31, 2021	7,531	\$ 12.43	8.2	\$ 23

(1) The number of options expected to vest reflect an estimate of 140,000 shares expected to be forfeited.

The aggregate intrinsic value represents the amount by which the fair value of underlying stock exceeds the "in-the-money" option exercise price. The total intrinsic value of options exercised for the years ended December 31, 2021, 2020, and 2019 were \$10 million, \$6 million and \$16 million, respectively. For the years ended December 31, 2021, 2020, and 2019, cash received for the exercises of stock options was \$2 million, \$1 million and \$2 million, respectively. The tax benefit realized for the tax deductions from option exercises totaled \$2 million, \$1 million and \$3 million in 2021, 2020, and 2019, respectively.

Restricted Stock Awards, Restricted Stock Units and Performance Share Units

Huntington also grants restricted stock units and performance share units and has assumed restricted stock awards and restricted stock units in conjunction with the TCF acquisition. Restricted stock units and performance share units awarded by Huntington are granted at the closing market price on the date of the grant. Restricted stock awards and units are issued at no cost to the recipient. Restricted stock awards and units, awarded by TCF and assumed by Huntington, can be settled only in shares at the end of the vesting period. Restricted stock units granted by Huntington can be settled in stock or cash depending on the award. Restricted stock awards granted by TCF provide the holder with voting rights, but do not provide any cash dividends. Restricted stock units granted by Huntington or those assumed through the TCF acquisition, for the most part, provide either accumulated cash dividends during the vesting period or, accrue a dividend equivalent that is paid upon vesting. Both restricted stock awards and restricted stock units are subject to certain service restrictions. Performance share units, granted by Huntington, are payable contingent upon Huntington achieving certain predefined performance objectives over the three-year measurement period. The fair value of these awards and units reflects the closing market price of Huntington's common stock on the grant or assumption date.

The following table summarizes the status of Huntington's restricted stock awards, restricted stock units, and performance share units as of December 31, 2021, and activity for the year ended December 31, 2021:

	Restricted Stock Awards		Restricted Stock Units		Performance Share Units	
	Quantity	Weighted-Average Grant Date Fair Value Per Share	Quantity	Weighted-Average Grant Date Fair Value Per Share	Quantity	Weighted-Average Grant Date Fair Value Per Share
<i>(amounts in thousands, except per share amounts)</i>						
Nonvested at January 1, 2021	—	\$ —	16,652	\$ 12.05	3,275	\$ 11.74
Granted	—	—	4,422	15.71	1,405	16.08
Assumed (1)	690	14.54	6,691	14.72	—	—
Vested	(321)	14.63	(7,686)	14.41	(1,340)	14.76
Forfeited	(13)	14.45	(981)	12.72	(214)	11.42
Nonvested at December 31, 2021	356	\$ 14.46	19,098	\$ 12.85	3,126	\$ 12.06

(1) Weighted-average grant date fair value per share represents the fair value per share on the acquisition date

The weighted-average fair value at grant date of nonvested shares granted for the years ended December 31, 2021, 2020, and 2019 were \$5.78, \$8.90, and \$13.91, respectively. The total fair value of awards vested during the years ended December 31, 2021, 2020, and 2019 was \$35 million, \$86 million, and \$69 million, respectively. As of December 31, 2021, the total unrecognized compensation cost related to nonvested shares was \$18 million with a weighted-average expense recognition period of 2.3 years.

17. BENEFIT PLANS

Huntington sponsors a non-contributory defined benefit pension plan covering substantially all employees hired or rehired prior to January 1, 2010. The Plan, which was modified in 2013, no longer accrues service benefits to participants and provides benefits based upon length of service and compensation levels. Huntington's funding policy is to contribute an annual amount that is at least equal to the minimum funding requirements but not more than the amount deductible under the Internal Revenue Code. There were no required minimum contributions during 2021.

The following table shows the weighted-average assumptions used to determine the benefit obligation at December 31, 2021 and 2020, and the net periodic benefit cost for the years then ended:

	Pension Benefits	
	2021	2020
Weighted-average assumptions used to determine benefit obligations		
Discount rate	2.86 %	2.50 %
Weighted-average assumptions used to determine net periodic benefit cost		
Discount rate	2.50	3.40
Expected return on plan assets	4.50	5.00

The expected long-term rate of return on plan assets is an assumption reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. The expected long-term rate of return is established at the beginning of the plan year based upon historical returns and projected returns on the underlying mix of invested assets.

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The following table reconciles the beginning and ending balances of the benefit obligation of the Plan with the amounts recognized in the consolidated balance sheets at December 31:

<i>(dollar amounts in millions)</i>	Pension Benefits	
	2021	2020
Projected benefit obligation at beginning of measurement year	\$ 1,026	\$ 923
Changes due to:		
Service cost	3	3
Interest cost	19	26
Benefits paid	(30)	(29)
Settlements	(25)	(19)
Actuarial assumptions and gains (losses)	(37)	122
Total changes	(70)	103
Projected benefit obligation at end of measurement year	\$ 956	\$ 1,026

The following table reconciles the beginning and ending balances of the fair value of Plan assets at the December 31, 2021 and 2020 measurement dates:

<i>(dollar amounts in millions)</i>	Pension Benefits	
	2021	2020
Fair value of plan assets at beginning of measurement year	\$ 1,050	\$ 931
Changes due to:		
Actual return on plan assets	15	164
Settlements	(28)	(16)
Benefits paid	(30)	(29)
Total changes	(43)	119
Fair value of plan assets at end of measurement year	\$ 1,007	\$ 1,050

As of December 31, 2021, the difference between the accumulated benefit obligation and the fair value of Plan assets was \$1 million and is recorded in other assets.

The following table shows the components of net periodic benefit costs recognized in the three years ended December 31, 2021, 2020 and 2019:

<i>(dollar amounts in millions)</i>	Pension Benefits (1)		
	2021	2020	2019
Service cost	\$ 3	\$ 3	\$ 2
Interest cost	19	26	32
Expected return on plan assets	(40)	(42)	(44)
Amortization of loss	12	9	6
Settlements	8	5	5
Benefit costs	\$ 2	\$ 1	\$ 1

(1) The pension costs are recognized in other noninterest income in the [Consolidated Statements of Income](#)

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At December 31, 2021 and 2020, The Huntington National Bank, as trustee, held all Plan assets. The Plan assets consisted of investments in a variety of cash equivalent, corporate and government fixed income, and equity investments as follows:

<i>(dollar amounts in millions)</i>	Fair Value					
	2021			2020		
Cash equivalents:						
Mutual funds-money market	\$	45	5 %	\$	20	2 %
Fixed income:						
Corporate obligations		559	55		522	50
U.S. Government obligations		208	21		208	20
Municipal obligations		5	—		6	—
Collective trust funds		13	1		118	11
Equities:						
Common stock		52	5		48	5
Preferred stock		—	—		5	—
Limited liability companies		36	4		39	4
Collective trust funds		30	3		33	3
Limited partnerships		58	6		51	5
Fair value of plan assets	\$	1,007	100 %	\$	1,050	100 %

Investments of the Plan are accounted for at cost on the trade date and are reported at fair value. The valuation methodologies used to measure the fair value of pension plan assets vary depending on the type of asset. At December 31, 2021, cash equivalent money market funds and U.S. Treasury bills are valued at the closing price reported from an actively traded exchange and are classified as Level 1. Fixed income investments are valued using unadjusted quoted prices from active markets for similar assets are classified as Level 2. Common and preferred stock are valued using the year-end closing price as determined by a national securities exchange and are classified as Level 1. Collective trust funds and limited liability companies are valued at net asset value per unit as a practical expedient, which is calculated based on the fair values of the underlying investments held by the fund less its liabilities as reported by the issuer of the fund. The investment in the limited partnerships is reported at net asset value per share as determined by the general partners of each limited partnership, based on their proportionate share of the partnership's fair value as recorded in the partnership's audited financial statements.

The investment objective of the Plan is to maximize the return on Plan assets over a long-time period, while meeting the Plan obligations. At December 31, 2021, Plan assets were invested 5% in cash equivalents, 18% in equity investments, and 77% in bonds, with an average duration of 13.7 years on investments. The estimated life of benefit obligations was 12.9 years. Although it may fluctuate with market conditions, Huntington has targeted a long-term allocation of Plan assets of 20% in equity investments and 80% in bond investments. The allocation of Plan assets between equity investments and fixed income investments will change from time to time.

At December 31, 2021, the following table shows when benefit payments are expected to be paid:

<i>(dollar amounts in millions)</i>	Pension Benefits
2022	\$ 56
2023	54
2024	52
2025	50
2026	50
2027 through 2030	240

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The following tables present the amounts recognized in OCI as of December 31, 2021, 2020, and 2019, and the changes in accumulated OCI for the years ended December 31, 2021, 2020, and 2019:

<i>(dollar amounts in millions)</i>	2021	2020	2019
Net actuarial loss	\$ (225)	\$ (253)	\$ (261)
Prior service cost	—	—	10
Defined benefit pension plans	<u>\$ (225)</u>	<u>\$ (253)</u>	<u>\$ (251)</u>

<i>(dollar amounts in millions)</i>	2021		
	Pretax	Tax (expense) Benefit	After-tax
Net actuarial gain (loss):			
Amounts arising during the year	\$ 18	\$ (4)	\$ 14
Amortization included in net periodic benefit costs	18	(4)	14
Total recognized in OCI	<u>\$ 36</u>	<u>\$ (8)</u>	<u>\$ 28</u>

<i>(dollar amounts in millions)</i>	2020		
	Pretax	Tax (expense) Benefit	After-tax
Net actuarial (loss) gain:			
Amounts arising during the year	\$ (7)	\$ 2	\$ (5)
Amortization included in net periodic benefit costs	17	(4)	13
Prior service cost:			
Amounts arising during the year	(11)	3	(8)
Amortization included in net periodic benefit costs	(2)	—	(2)
Total recognized in OCI	<u>\$ (3)</u>	<u>\$ 1</u>	<u>\$ (2)</u>

<i>(dollar amounts in millions)</i>	2019		
	Pretax	Tax (expense) Benefit	After-tax
Net actuarial (loss) gain:			
Amounts arising during the year	\$ (17)	\$ 5	\$ (12)
Amortization included in net periodic benefit costs	12	(3)	9
Prior service cost:			
Amortization included in net periodic benefit costs	(2)	—	(2)
Total recognized in OCI	<u>\$ (7)</u>	<u>\$ 2</u>	<u>\$ (5)</u>

Huntington has a defined contribution plan that is available to eligible employees. Huntington's expense related to the defined contribution plans for the years ended December 31, 2021, 2020, and 2019 was \$70 million, \$47 million, and \$51 million, respectively.

The following table shows the number of shares, market value, and dividends received on shares of Huntington stock held by the defined contribution plan:

<i>(dollar amounts in millions, share amounts in thousands)</i>	December 31,	
	2021	2020
Shares in Huntington common stock	9,526	10,121
Market value of Huntington common stock	\$ 147	\$ 128
Dividends received on shares of Huntington stock	6	6

18. INCOME TAXES

The following is a summary of the provision for income taxes:

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Current tax provision (benefit)			
Federal	\$ 356	\$ 236	\$ 209
State	13	12	16
Foreign	1	—	—
Total current tax provision	370	248	225
Deferred tax provision (benefit)			
Federal	(104)	(103)	24
State	28	10	(1)
Total deferred tax provision	(76)	(93)	23
Provision for income taxes	\$ 294	\$ 155	\$ 248

The following is a reconciliation for provision for income taxes:

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Provision for income taxes computed at the statutory rate	\$ 334	\$ 204	\$ 348
Increases (decreases):			
General business credits	(126)	(99)	(88)
Capital loss	(32)	(25)	(62)
Tax-exempt income	(18)	(17)	(21)
Tax-exempt bank owned life insurance income	(14)	(13)	(14)
Affordable housing investment amortization, net of tax benefits	102	78	70
State income taxes, net	32	17	11
Other	16	10	4
Provision for income taxes	\$ 294	\$ 155	\$ 248

The significant components of deferred tax assets and liabilities at December 31, 2021 and 2020 were as follows:

<i>(dollar amounts in millions)</i>	At December 31,	
	2021	2020
Deferred tax assets:		
Allowances for credit losses	\$ 518	\$ 448
Tax credit carryforward	194	—
Net operating and other loss carryforward	143	128
Lease liability	143	54
Purchase accounting and other intangibles	107	30
Fair value adjustments	65	—
Pension and other employee benefits	46	10
Other assets	14	5
Total deferred tax assets	1,230	675
Deferred tax liabilities:		
Lease financing	712	409
Operating assets	116	85
Loan origination costs	115	137
Right-of-use asset	113	46
Mortgage servicing rights	84	43
Securities adjustments	40	20
Fair value adjustments	—	55
Other liabilities	14	3
Total deferred tax liabilities	1,194	798
Net deferred tax asset (liability) before valuation allowance	36	(123)
Valuation allowance	(35)	(11)
Net deferred tax asset (liability)	\$ 1	\$ (134)

At December 31, 2021, Huntington's net deferred tax asset related to net operating loss and other carryforwards was \$37 million. This was comprised of federal net operating loss carryforwards of \$61 million, which will begin expiring in 2025, state net operating loss carryforwards of \$0 million, which will begin expiring in 2022, a federal capital loss carryforward of \$26 million, which will begin expiring in 2025, state capital loss carryforwards of \$6 million, which will begin expiring in 2022, and general business credits of \$94 million, which will expire in 2041.

The Company has established a valuation allowance on its state deferred tax assets as it believes it is more likely than not, portions will not be realized.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state, city and foreign jurisdictions. Federal income tax audits have been completed for tax years through 2009. The 2010-2017 tax years remain open as Huntington is currently appealing certain IRS positions related to these years. The 2018-2020 tax years remain open under the standard statute of limitations. Also, with few exceptions, the Company is no longer subject to state, local and foreign income tax examinations for tax years before 2017.

The following table provides a reconciliation of the beginning and ending amounts of gross unrecognized tax benefits:

<i>(dollar amounts in millions)</i>	2021	2020
Unrecognized tax benefits at beginning of year	\$ 46	\$ —
Gross increases for tax positions taken during prior years	47	46
Unrecognized tax benefits at end of year	\$ 93	\$ 46

Due to the complexities of some of these uncertainties, the ultimate resolution may result in a liability that is materially different from the current estimate of the tax liabilities. We do not currently anticipate that the amount of unrecognized tax benefits will significantly change over the next 12 months.

Any interest and penalties on income tax assessments or income tax refunds are recognized in the Consolidated Statements of Income as a component of provision for income taxes. The amounts of accrued tax-related interest and penalties were immaterial at December 31, 2021 and 2020. Further, the amount of net interest and penalties related to unrecognized tax benefits was immaterial for all periods presented. All of the gross unrecognized tax benefits would impact the Company's effective tax rate if recognized.

At December 31, 2021, retained earnings included approximately \$182 million of base year reserves of acquired thrift institutions, for which no deferred federal income tax liability has been recognized. Under current law, if these bad debt reserves are used for purposes other than to absorb bad debt losses, they will be subject to federal income tax at the corporate tax rate enacted at the time. The amount of unrecognized deferred tax liability relating to the cumulative bad debt deduction was approximately \$38 million at December 31, 2021.

19. FAIR VALUES OF ASSETS AND LIABILITIES

Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy. Assets and liabilities measured at fair value rarely transfer between Level 1 and Level 2 measurements. There were no such transfers during the years ended December 31, 2021 and 2020.

Loans held for sale

Huntington has elected to apply the fair value option for mortgage loans originated with the intent to sell which are included in loans held for sale. Mortgage loans held for sale are classified as Level 2 and are estimated using security prices for similar product types.

Loans held for investment

Certain mortgage loans originated with the intent to sell for which the FVO was elected have been reclassified to mortgage loans held for investment. These loans continue to be measured at fair value. The fair value is determined using fair value of similar mortgage-backed securities adjusted for loan specific variables.

Available-for-sale securities and trading account securities

Securities accounted for at fair value include both the available-for-sale and trading portfolios. Huntington determines the fair value of securities utilizing quoted market prices obtained for identical or similar assets, third-party pricing services, third-party valuation specialists and other observable inputs such as recent trade observations. AFS and trading securities classified as Level 1 use quoted market prices (unadjusted) in active markets for identical securities at the measurement date. Level 1 positions in these portfolios consist of U.S. Treasury securities. When quoted market prices are not available, fair values are classified as Level 2 using quoted prices for similar assets in active markets, quoted prices of identical or similar assets in markets that are not active, and inputs that are observable for the asset, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 positions in these portfolio consist of U.S. Government and agency debt securities, agency mortgage backed securities, private-label asset-backed securities, certain municipal securities and other securities. For Level 2 securities Huntington primarily uses prices obtained from third-party pricing services to determine the fair value of securities. Huntington independently evaluates and corroborates the fair value received from pricing services through various methods and techniques, including references to dealer or other market quotes, by reviewing valuations of comparable instruments, and by comparing the prices realized on the sale of similar securities. If relevant market prices are limited or unavailable, valuations may require significant management judgment or estimation to determine fair value, in which case the fair values are classified as Level 3. The Level 3 positions predominantly consist of direct purchase municipal securities. A significant change in the unobservable inputs for these securities may result in a significant change in the ending fair value measurement of these securities.

The direct purchase municipal securities are classified as Level 3 and require significant estimates to determine fair value which results in greater subjectivity. The fair value is determined by utilizing a discounted cash flow valuation technique employed by a third-party valuation specialist. The third-party specialist uses assumptions related to yield, prepayment speed, conditional default rates and loss severity based on certain factors such as, credit worthiness of the counterparty, prevailing market rates, and analysis of similar securities. Huntington evaluates the fair values provided by the third-party specialist for reasonableness.

Derivative assets and liabilities

Derivatives classified as Level 2 consist of foreign exchange and commodity contracts, which are valued using exchange traded swaps and futures market data. In addition, Level 2 includes interest rate contracts, which are valued using a discounted cash flow method that incorporates current market interest rates. Level 2 also includes exchange traded options and forward commitments to deliver mortgage-backed securities, which are valued using quoted prices.

Derivatives classified as Level 3 consist of interest rate lock agreements related to mortgage loan commitments and the Visa[®] share swap. The determination of fair value of the interest rate locks includes assumptions related to the likelihood that a commitment will ultimately result in a closed loan, which is a significant unobservable assumption. A significant increase or decrease in the external market price would result in a significantly higher or lower fair value measurement.

Assets and Liabilities measured at fair value on a recurring basis

Assets and liabilities measured at fair value on a recurring basis are summarized in the following tables:

<i>(dollar amounts in millions)</i>	Fair Value Measurements at Reporting Date Using			Netting Adjustments (1)	December 31, 2021
	Level 1	Level 2	Level 3		
Assets					
Trading account securities:					
Municipal securities	\$ —	\$ 46	\$ —	\$ —	\$ 46
Available-for-sale securities:					
U.S. Treasury securities	5	—	—	—	5
Residential CMOs	—	4,649	—	—	4,649
Residential MBS	—	15,508	—	—	15,508
Commercial MBS	—	1,865	—	—	1,865
Other agencies	—	248	—	—	248
Municipal securities	—	49	3,477	—	3,526
Private-label CMO	—	86	20	—	106
Asset-backed securities	—	312	70	—	382
Corporate debt	—	2,167	—	—	2,167
Other securities/sovereign debt	—	4	—	—	4
	5	24,888	3,567	—	28,460
Other securities	65	7	—	—	72
Loans held for sale	—	1,270	—	—	1,270
Loans held for investment	—	152	19	—	171
MSRs	—	—	351	—	351
Other assets:					
Derivative assets	—	1,055	10	(465)	600
Assets held in trust for deferred compensation plans	156	—	—	—	156
Liabilities					
Derivative liabilities	—	737	6	(624)	119

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<i>(dollar amounts in millions)</i>	Fair Value Measurements at Reporting Date Using			Netting Adjustments (1)	December 31, 2020
	Level 1	Level 2	Level 3		
Assets					
Trading account securities:					
Municipal securities	\$ —	\$ 62	\$ —	\$ —	\$ 62
Available-for-sale securities:					
U.S. Treasury securities	5	—	—	—	5
Residential CMOs	—	3,666	—	—	3,666
Residential MBS	—	7,935	—	—	7,935
Commercial MBS	—	1,163	—	—	1,163
Other agencies	—	62	—	—	62
Municipal securities	—	53	2,951	—	3,004
Private-label CMO	—	—	9	—	9
Asset-backed securities	—	182	10	—	192
Corporate debt	—	445	—	—	445
Other securities/sovereign debt	—	4	—	—	4
	5	13,510	2,970	—	16,485
Other securities	59	—	—	—	59
Loans held for sale	—	1,198	—	—	1,198
Loans held for investment	—	71	23	—	94
MSRs	—	—	210	—	210
Other assets:					
Derivative assets	—	1,903	43	(889)	1,057
Assets held in trust for deferred compensation plans	73	—	—	—	73
Liabilities					
Derivative liabilities	—	1,031	2	(917)	116

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and cash collateral held or placed with the same counterparties.

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The following tables present a rollforward of the balance sheet amounts measured at fair value on a recurring basis and classified as Level 3. The classification of an item as Level 3 is based on the significance of the unobservable inputs to the overall fair value measurement. However, Level 3 measurements may also include observable components of value that can be validated externally. Accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology.

<i>(dollar amounts in millions)</i>	Level 3 Fair Value Measurements Year Ended December 31, 2021						
	Available-for-sale securities						
	MSRs	Derivative instruments	Municipal securities	Private- label CMO	Asset- backed securities	Loans held for investment	
Opening balance	\$ 210	\$ 41	\$ 2,951	\$ 9	\$ 10	\$ 23	
Transfers out of Level 3 (1)	—	(132)	—	—	—	—	
Total gains/losses for the period:							
Included in earnings:							
Mortgage banking income	27	88	—	—	—	—	
Interest and fee income	—	—	(1)	(2)	—	—	
Included in OCI	—	—	(46)	—	—	—	
Purchases/originations/acquisitions	194	7	1,835	11	115	—	
Sales	—	—	(369)	—	—	—	
Repayments	—	—	—	—	—	(4)	
Settlements	(80)	—	(893)	2	(55)	—	
Closing balance	\$ 351	\$ 4	\$ 3,477	\$ 20	\$ 70	\$ 19	
Change in unrealized gains or losses for the period included in earnings for assets held at end of the reporting date	\$ 27	\$ (41)	\$ —	\$ —	\$ —	\$ —	
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	\$ —	\$ —	\$ (47)	\$ —	\$ —	\$ —	

<i>(dollar amounts in millions)</i>	Level 3 Fair Value Measurements Year Ended December 31, 2020						
	Available-for-sale securities						
	MSRs	Derivative instruments	Municipal securities	Private- label CMO	Asset- backed securities	Loans held for investment	
Opening balance	\$ 7	\$ —	\$ 2,999	\$ 2	\$ 8	\$ 26	
Fair value election for serving assets previously measured using the amortized method	205	—	—	—	—	—	
Transfers out of Level 3 (1)	—	(198)	—	—	—	—	
Total gains/losses for the period:							
Included in earnings:							
Mortgage banking income	(104)	233	—	—	—	—	
Interest and fee income	—	—	(2)	—	—	—	
Included in OCI	—	—	65	—	—	—	
Purchases/originations	102	—	623	7	28	—	
Repayments	—	—	—	—	—	(3)	
Settlements	—	—	(734)	—	(66)	—	
Closing balance	\$ 210	\$ 41	\$ 2,951	\$ 9	\$ 10	\$ 23	
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at end of the reporting date	\$ (104)	\$ 233	\$ —	\$ —	\$ —	\$ —	
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	\$ —	\$ —	\$ 68	\$ —	\$ —	\$ —	

	Level 3 Fair Value Measurements Year Ended December 31, 2019					
	Available-for-sale securities					
	MSRs	Derivative instruments	Municipal securities	Private label CMO	Asset-backed securities	Loans held for investment
<i>(dollar amounts in millions)</i>						
Opening balance	\$ 10	\$ 2	\$ 3,165	\$ —	\$ —	\$ 30
Transfers out of Level 3 (1)	—	(62)	—	—	—	—
Total gains/losses for the period:						
Included in earnings:						
Mortgage banking income	(3)	66	—	—	—	—
Interest and fee income	—	—	(1)	—	—	1
Included in OCI	—	—	77	—	—	—
Purchases/originations	—	—	254	2	55	—
Sales	—	—	—	—	—	—
Repayments	—	—	—	—	—	(5)
Settlements	—	—	(496)	—	(7)	—
Closing balance	\$ 7	\$ 6	\$ 2,999	\$ 2	\$ 48	\$ 26
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at end of the reporting date	\$ (3)	\$ 3	\$ —	\$ —	\$ —	\$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	\$ —	\$ —	\$ 74	\$ —	\$ —	\$ —

(1) Transfers out of Level 3 represent the settlement value of the derivative instruments (i.e. interest rate lock agreements) that are transferred to loans held for sale, which is classified as Level 2.

Assets and liabilities under the fair value option

The following table presents the fair value and aggregate principal balance of certain assets and liabilities under the fair value option:

	Total Loans			Loans that are 90 or more days past due		
	Fair value carrying amount	Aggregate unpaid principal	Difference	Fair value carrying amount	Aggregate unpaid principal	Difference
<i>(dollar amounts in millions)</i>						
December 31, 2021						
Assets						
Loans held for sale	\$ 1,270	\$ 1,237	\$ 33	\$ —	\$ —	\$ —
Loans held for investment	171	177	(6)	4	4	—
December 31, 2020						
Assets						
Loans held for sale	\$ 1,198	\$ 1,134	\$ 64	\$ 2	\$ 2	\$ —
Loans held for investment	94	99	\$ (5)	7	8	(1)

The following table presents the net (losses) gains from fair value changes:

	Net (losses) gains from fair value changes Year Ended December 31,		
	2021	2020	2019
<i>(dollar amounts in millions)</i>			
Assets			
Loans held for sale (1)	\$ (31)	\$ 38	\$ 7
Loans held for investment	(1)	1	1

(1) The net (losses) gains from fair value changes are included in Mortgage banking income on the Consolidated Statements of Income.

Assets and Liabilities measured at fair value on a nonrecurring basis

Certain assets and liabilities may be required to be measured at fair value on a nonrecurring basis in periods subsequent to their initial recognition. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment. The amounts presented represent the fair value on the various measurement dates throughout the period. The gains(losses) represent the amounts recorded during the period regardless of whether the asset is still held at period end.

The amounts measured at fair value on a nonrecurring basis were as follows:

<i>(dollar amounts in millions)</i>	Fair Value	Fair Value Measurements Using			Total Gains/(Losses) Year Ended
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
December 31, 2021					
Collateral-dependent loans	\$ 39	\$ —	\$ —	\$ 39	\$ (4)
December 31, 2020					
Collateral-dependent loans	144	—	—	144	(43)
Loans held for sale	124	—	—	124	(63)

Huntington records nonrecurring adjustments of collateral-dependent loans held for investment. Such amounts are generally based on the fair value of the underlying collateral supporting the loan. Appraisals are generally obtained to support the fair value of the collateral and incorporate measures such as recent sales prices for comparable properties and cost of construction. Periodically, in cases where the carrying value exceeds the fair value of the collateral less cost to sell, an impairment charge is recognized in the form of a charge-off.

Significant unobservable inputs for assets and liabilities measured at fair value on a recurring and nonrecurring basis

The table below presents quantitative information about the significant unobservable inputs for assets and liabilities measured at fair value on a recurring and nonrecurring basis:

		Quantitative Information about Level 3 Fair Value Measurements					
		At December 31, 2021(1)			At December 31, 2020(1)		
<i>(dollar amounts in millions)</i>	Valuation Technique	Significant Unobservable Input	Range	Weighted Average	Range	Weighted Average	
Measured at fair value on a recurring basis:							
MSRs	Discounted cash flow	Constant prepayment rate	8 % - 23 %	12 %	8 % - 24 %	17 %	
		Spread over forward interest rate swap rates	3 % - 11 %	5 %	4 % - 11 %	5 %	
Derivative assets	Consensus Pricing	Net market price	(4)% - 8 %	1 %	(4)% - 11 %	3 %	
		Estimated pull through %	6 % - 100 %	92 %	1 % - 100 %	88 %	
Municipal securities	Discounted cash flow	Discount rate	— % - 2 %	1 %	— % - 1 %	1 %	
Asset-backed securities		Cumulative default	— % - 64 %	5 %	— % - 39 %	4 %	
		Loss given default	5 % - 80 %	23 %	5 % - 80 %	25 %	

(1) Certain disclosures related to quantitative level 3 fair value measurements do not include those deemed to be immaterial.

The following provides a general description of the impact of a change in an unobservable input on the fair value measurement and the interrelationship between unobservable inputs, where relevant/significant. Interrelationships may also exist between observable and unobservable inputs.

Credit loss estimates, such as probability of default, constant default, cumulative default, loss given default, cure given deferral, and loss severity, are driven by the ability of the borrowers to pay their loans and the value of the underlying collateral and are impacted by changes in macroeconomic conditions, typically increasing when economic conditions worsen and decreasing when conditions improve. An increase in the estimated prepayment rate typically results in a decrease in estimated credit losses and vice versa. Higher credit loss estimates generally result in lower fair values. Credit spreads generally increase when liquidity risks and market volatility increase and decrease when liquidity conditions and market volatility improve.

Discount rates and spread over forward interest rate swap rates typically increase when market interest rates increase and/or credit and liquidity risks increase, and decrease when market interest rates decline and/or credit and liquidity conditions improve. Higher discount rates and credit spreads generally result in lower fair market values.

Net market price and pull through percentages generally increase when market interest rates increase and decline when market interest rates decline. Higher net market price and pull through percentages generally result in higher fair values.

Fair values of financial instruments

The following table provides the carrying amounts and estimated fair values of Huntington's financial instruments:

<i>(dollar amounts in millions)</i>	Amortized Cost	Lower of Cost or Market	Fair Value or Fair Value Option	Total Carrying Amount	Estimated Fair Value
December 31, 2021					
Financial Assets					
Cash and short-term assets	\$ 5,914	\$ —	\$ —	\$ 5,914	\$ 5,914
Trading account securities	—	—	46	46	46
Available-for-sale securities	—	—	28,460	28,460	28,460
Held-to-maturity securities	12,447	—	—	12,447	12,489
Other securities	576	—	72	648	648
Loans held for sale	—	406	1,270	1,676	1,621
Net loans and leases (1)	109,719	—	171	109,890	110,342
Derivative assets	—	—	600	600	600
Assets held in trust for deferred compensation plans	—	—	156	156	156
Financial Liabilities					
Deposits	143,263	—	—	143,263	143,574
Short-term borrowings	334	—	—	334	334
Long-term debt	7,108	—	—	7,108	7,319
Derivative liabilities	—	—	119	119	119
December 31, 2020					
Financial Assets					
Cash and short-term assets	\$ 6,712	\$ —	\$ —	\$ 6,712	\$ 6,712
Trading account securities	—	—	62	62	62
Available-for-sale securities	—	—	16,485	16,485	16,485
Held-to-maturity securities	8,861	—	—	8,861	9,255
Other securities	359	—	59	418	418
Loans held for sale	—	77	1,198	1,275	1,275
Net loans and leases (1)	79,700	—	94	79,794	80,477
Derivative assets	—	—	1,057	1,057	1,057
Assets held in trust for deferred compensation plans	—	—	73	73	73
Financial Liabilities					
Deposits	98,948	—	—	98,948	99,021
Short-term borrowings	183	—	—	183	183
Long-term debt	8,352	—	—	8,352	8,568
Derivative liabilities	—	—	116	116	116

(1) Includes collateral-dependent loans.

The following table presents the level in the fair value hierarchy for estimated fair values:

<i>(dollar amounts in millions)</i>	Estimated Fair Value Measurements at Reporting Date Using			Netting Adjustments (1)	Presented Balance
	Level 1	Level 2	Level 3		
December 31, 2021					
Financial Assets					
Trading account securities	\$ —	\$ 46	\$ —		\$ 46
Available-for-sale securities	5	24,888	3,567		28,460
Held-to-maturity securities	—	12,489	—		12,489
Other securities (2)	65	7	—		72
Loans held for sale	—	1,270	351		1,621
Net loans and leases	—	152	110,190		110,342
Derivative assets	—	1,055	10	(465)	600
Financial Liabilities					
Deposits	—	139,047	4,527		143,574
Short-term borrowings	—	334	—		334
Long-term debt	—	6,441	878		7,319
Derivative liabilities	—	737	6	(624)	119
December 31, 2020					
Financial Assets					
Trading account securities	\$ —	\$ 62	\$ —		\$ 62
Available-for-sale securities	5	13,510	2,970		16,485
Held-to-maturity securities	—	9,255	—		9,255
Other securities (2)	59	—	—		59
Loans held for sale	—	1,198	77		1,275
Net loans and leases	—	71	80,406		80,477
Derivative assets	—	1,903	43	(889)	1,057
Financial Liabilities					
Deposits	—	96,656	2,365		99,021
Short-term borrowings	—	183	—		183
Long-term debt	—	7,999	569		8,568
Derivative liabilities	—	1,031	2	(917)	116

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and cash collateral held or placed with the same counterparties.

(2) Excludes securities without readily determinable fair values.

The short-term nature of certain assets and liabilities result in their carrying value approximating fair value. These include trading account securities, customers' acceptance liabilities, short-term borrowings, bank acceptances outstanding, FHLB advances, and cash and short-term assets, which include cash and due from banks, interest-bearing deposits in banks, interest-bearing deposits at FRB, federal funds sold, and securities purchased under resale agreements. Loan commitments and letters-of-credit generally have short-term, variable-rate features and contain clauses that limit Huntington's exposure to changes in customer credit quality. Accordingly, their carrying values, which are immaterial at the respective balance sheet dates, are reasonable estimates of fair value.

Certain assets, the most significant being operating lease assets, bank owned life insurance, and premises and equipment, do not meet the definition of a financial instrument and are excluded from this disclosure. Similarly, mortgage servicing rights, deposit base, and other customer relationship intangibles are not considered financial instruments and are not included above. Accordingly, this fair value information is not intended to, and does not, represent Huntington's underlying value. Many of the assets and liabilities subject to the disclosure requirements are not actively traded, requiring fair values to be estimated by management. These estimations necessarily involve the use of judgment about a wide variety of factors, including but not limited to, relevancy of market prices of comparable instruments, expected future cash flows, and appropriate discount rates.

20. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recorded in the Consolidated Balance Sheets as either an asset or a liability (in other assets or other liabilities, respectively) and measured at fair value.

Derivative financial instruments can be designated as accounting hedges under GAAP. Designating a derivative as an accounting hedge allows Huntington to recognize gains and losses on the hedging instruments in the income statement line item where the gains and losses on the hedged item are recognized. Gains and losses on derivatives that are not designated in an effective hedge relationship under GAAP immediately impact earnings within the period they occur.

The following table presents the fair values and notional values of all derivative instruments included in the Consolidated Balance Sheets at December 31, 2021 and December 31, 2020. Amounts in the table below are presented gross without the impact of any net collateral arrangements.

<i>(dollar amounts in millions)</i>	December 31, 2021			December 31, 2020		
	Notional Value	Asset	Liability	Notional Value	Asset	Liability
Derivatives designated as Hedging Instruments						
Interest rate contracts	\$ 21,306	\$ 258	\$ 32	\$ 27,056	\$ 719	\$ 51
Foreign exchange contracts	210	1	—	—	—	—
Derivatives not designated as Hedging Instruments						
Interest rate contracts	45,286	587	498	44,495	1,074	828
Foreign exchange contracts	3,524	29	31	2,718	46	47
Commodities contracts	1,077	178	177	1,952	107	103
Equity contracts	685	12	5	517	—	4
Total Contracts	\$ 72,088	\$ 1,065	\$ 743	\$ 76,738	\$ 1,946	\$ 1,033

The following table presents the amount of gain or loss recognized in income for derivatives not designated as hedging instruments under ASC Subtopic 815-10 in the Consolidated Income Statement for the years ended December 31, 2021, 2020 and 2019.

<i>(dollar amounts in millions)</i>	Location of Gain or (Loss) Recognized in Income on Derivative	Year Ended December 31,		
		2021	2020	2019
Interest rate contracts:				
Customer	Capital markets fees	\$ 50	\$ 47	\$ 49
Mortgage banking	Mortgage banking income	(26)	52	37
Interest rate floors	Interest and fee income on loans and leases	(8)	(2)	4
Interest rate caps	Interest expense on long-term debt	89	5	—
Foreign exchange contracts	Capital markets fees	32	27	28
Commodities contracts	Capital markets fees	3	4	(2)
Equity contracts	Other noninterest expense	(8)	(4)	(4)
Total		\$ 132	\$ 129	\$ 112

Derivatives used in asset and liability management activities

Huntington engages in balance sheet hedging activity, principally for asset and liability management purposes. Balance sheet hedging activity is generally arranged to receive hedge accounting treatment that can be classified as either fair value or cash flow hedges. Fair value hedges are executed to hedge changes in fair value of outstanding fixed-rate debt and investment securities caused by fluctuations in market interest rates. Cash flow hedges are executed to modify interest rate characteristics of designated commercial loans in order to reduce the impact of changes in future cash flows due to market interest rate changes.

The following table presents the gross notional values of derivatives used in Huntington's asset and liability management activities at December 31, 2021 and December 31, 2020, identified by the underlying interest rate-sensitive instruments:

<i>(dollar amounts in millions)</i>	December 31, 2021			
	Fair Value Hedges	Cash Flow Hedges	Economic Hedges	Total
Instruments associated with:				
Investment securities	\$ 8,228	\$ —	\$ —	\$ 8,228
Loans	—	11,150	271	11,421
Long-term debt	1,928	—	—	1,928
Total notional value at December 31, 2021	\$ 10,156	\$ 11,150	\$ 271	\$ 21,577

<i>(dollar amounts in millions)</i>	December 31, 2020			
	Fair Value Hedges	Cash Flow Hedges	Economic Hedges	Total
Instruments associated with:				
Investment securities	\$ 3,484	\$ —	\$ —	\$ 3,484
Loans	—	17,375	1,271	18,646
Long-term debt	6,197	—	5,000	11,197
Total notional value at December 31, 2020	\$ 9,681	\$ 17,375	\$ 6,271	\$ 33,327

These derivative financial instruments were entered into for the purpose of managing the interest rate risk of assets and liabilities. Net amounts receivable or payable on contracts hedging either interest earning assets or interest bearing liabilities were accrued as an adjustment to either interest income or interest expense. Adjustments to interest income were also recorded for the amounts related to the amortization of floors and forward-starting floors that were excluded from the hedge effectiveness, changes in the fair value of economic hedges, as well as the amounts related to terminated hedges reclassified from AOCI. The net amounts resulted in an increase (decrease) to net interest income of \$337 million, \$239 million, and \$(53) million for the years ended December 31, 2021, 2020, and 2019, respectively.

Fair Value Hedges

The changes in fair value of the fair value hedges are recorded through earnings and offset against changes in the fair value of the hedged item.

Huntington has designated \$7.4 billion of interest rate swaps as fair value hedges of fixed-rate investment securities using the last-of-layer method. This approach allows the Company to designate as the hedged item a stated amount of the assets that are not expected to be affected by prepayments, defaults and other factors affecting the timing and amount of cash flows. The fair value basis adjustment on our hedged mortgage-backed securities is included in available-for-sale securities on the Consolidated Statements of Financial Condition. Huntington has also designated \$869 million of interest rate swaps as fair value hedges of fixed-rate corporate bonds.

The following table presents the change in fair value for derivatives designated as fair value hedges as well as the offsetting change in fair value on the hedged item for the years ended December 31, 2021, 2020 and 2019:

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Interest rate contracts			
Change in fair value of interest rate swaps hedging investment securities (1)	\$ 108	\$ 6	\$ —
Change in fair value of hedged investment securities (1)	(114)	3	—
Change in fair value of interest rate swaps hedging long-term debt (2)	(184)	113	127
Change in fair value of hedged long term debt (2)	187	(118)	(125)

- (1) Recognized in Interest income—available-for-sale securities—taxable in the [Consolidated Statements of Income](#)
(2) Recognized in Interest expense - long-term debt in the [Consolidated Statements of Income](#)

As of December 31, 2021 and 2020, the following amounts were recorded on the balance sheet related to cumulative basis adjustments for fair value hedges.

<i>(dollar amounts in millions)</i>	Amortized Cost At December 31,		Cumulative Amount of Fair Value Hedging Adjustment To Hedged Items At December 31,	
	2021	2020	2021	2020
Assets				
Investment securities (1)	\$ 17,150	\$ 6,637	\$ (117)	\$ 3
Liabilities				
Long-term debt (2)	1,981	6,383	45	232

- (1) Amounts include the amortized cost basis of closed portfolios used to designate hedging relationships in which the hedged item is the last layer expected to be remaining at the end of the hedging relationship. As of December 31, 2021, the amortized cost basis of the closed portfolios used in these hedging relationships was \$16.2 billion, the cumulative basis adjustments associated with these hedging relationships was \$(101) million, and the amounts of the designated hedged items were \$.4 billion.
- (2) Excluded from the above table are the cumulative amount of fair value hedge adjustments remaining for long-term debt for which hedge accounting has been discontinued in the amounts of \$1 million at December 31, 2021 and \$(62) million at December 31, 2020.

Cash Flow Hedges

At December 31, 2021, Huntington had \$11.2 billion of interest rate floors and swaps. These are designated as cash flow hedges for variable rate commercial loans indexed to LIBOR. The change in the fair value of a derivative instrument designated as a cash flow hedge is initially recognized in OCI and is reclassified into income when the hedged item impacts earnings. The initial premium paid for the interest rate floor contracts represents the time value of the contracts and is not included in the measurement of hedge effectiveness. Any change in fair value related to time value is recognized in OCI. The initial premium paid is amortized on a straight line basis as a reduction to interest income over the contractual life of these contracts.

At December 31, 2021, the net gains recognized in AOCI that are expected to be reclassified into earnings within the next 12 months were \$24 million.

Net Investment Hedges

Huntington has entered into forward foreign exchange contracts to hedge the value of the Company's investments in non-U.S. dollar functional currency entities. The total notional amount of forward foreign exchange contracts at December 31, 2021 was \$210 million.

Derivatives used in mortgage banking activities

Mortgage loan origination hedging activity

Huntington's mortgage origination hedging activity is related to economically hedging Huntington's mortgage pricing commitments to customers and the secondary sale to third parties. The value of a newly originated mortgage is not firm until the interest rate is committed or locked. Forward commitments to sell economically hedge the possible loss on interest rate lock commitments due to interest rate change. The net asset position of these derivatives was \$15 million and \$26 million at December 31, 2021 and December 31, 2020, respectively. At December 31, 2021 and December 31, 2020, Huntington had commitments to sell residential real estate loans of \$2.1 billion and \$2.9 billion, respectively. These contracts mature in less than one year.

MSR hedging activity

Huntington's MSR economic hedging activity uses securities and derivatives to manage the value of the MSR asset and to mitigate the various types of risk inherent in the MSR asset, including risks related to duration, basis, convexity, volatility, and yield curve. The hedging instruments include forward commitments, TBA securities, Treasury futures contracts, interest rate swaps, and options on interest rate swaps.

The notional value of the derivative financial instruments, the corresponding net asset (liability) position recognized in other assets and/or other liabilities, and net trading (losses) gains related to MSR hedging activity is summarized in the following table:

<i>MSR hedging activity</i> <i>(dollar amounts in millions)</i>	At December 31,		
	2021	2020	
Notional value	\$ 1,330	\$ 1,170	
Trading assets	19	43	

<i>(dollar amounts in millions)</i>	Year December 31,		
	2021	2020	2019
Trading (losses) gains	\$ (26)	\$ 52	\$ 30

MSR hedging trading assets and liabilities are included in other assets and other liabilities, respectively, in the Consolidated Balance Sheets. Trading (losses) gains are included in mortgage banking income in the Consolidated Statement of Income.

Derivatives used in customer related activities

Various derivative financial instruments are offered to enable customers to meet their financing and investing objectives and for their risk management purposes. Derivative financial instruments used in trading activities consist of commodity, interest rate, and foreign exchange contracts. Huntington enters into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies in order to economically hedge significant exposure related to derivatives used in trading activities.

The interest rate or price risk of customer derivatives is mitigated by entering into similar derivatives having offsetting terms with other counterparties. The credit risk to these customers is evaluated and included in the calculation of fair value. Foreign currency derivatives help the customer hedge risk and reduce exposure to fluctuations in exchange rates. Transactions are primarily in liquid currencies with Canadian dollars and Euros comprising a majority of all transactions. Commodity derivatives help the customer hedge risk and reduce exposure to fluctuations in the price of various commodities. Hedging of energy-related products and base metals comprise the majority of these transactions.

The net fair values of these derivative financial instruments, for which the gross amounts are included in other assets or other liabilities at December 31, 2021 and December 31, 2020, were \$51 million and \$70 million, respectively. The total notional values of derivative financial instruments used by Huntington on behalf of customers, including offsetting derivatives, were \$45 billion and \$37 billion at December 31, 2021 and December 31, 2020, respectively. Huntington's credit risk from customer derivatives was \$551 million and \$882 million at the same dates, respectively.

Financial assets and liabilities that are offset in the Consolidated Balance Sheets

Huntington records derivatives at fair value as further described in Note 19 - [Fair Values of Assets and Liabilities](#).

Derivative balances are presented on a net basis taking into consideration the effects of legally enforceable master netting agreements. Additionally, collateral exchanged with counterparties is also netted against the applicable derivative fair values. Huntington enters into derivative transactions with three primary groups: central clearinghouses, broker-dealers and banks, and Huntington's customers. Different methods are utilized for managing counterparty credit exposure and credit risk for each of these groups.

Huntington enters into collateral and master netting agreements with central clearinghouses and broker-dealers. Collateral is typically exchanged daily based on the net fair value of the positions with the counterparty from the preceding day. Collateral representing initial margin, which is based on future potential exposure, is also required to be pledged by us in relation to derivative instruments with central clearinghouse counterparties. Huntington additionally enters into transactions with customers to meet their financing, investing, payment and risk management needs. Huntington enters into master netting agreements with customer counterparties, however collateral is generally not exchanged with customer counterparties.

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In addition to the customer derivative credit exposure, aggregate credit risk associated with broker-dealer and bank derivative transactions, net of collateral that has been pledged by the counterparty, was \$44 million and \$175 million at December 31, 2021 and December 31, 2020, respectively. The credit risk associated with derivatives is calculated after considering master netting agreements.

At December 31, 2021, Huntington pledged \$135 million of investment securities and cash collateral to counterparties, while other counterparties pledged \$467 million of investment securities and cash collateral to Huntington to satisfy collateral netting agreements. In the event of credit downgrades, Huntington would not be required to provide additional collateral.

The following tables present the gross amounts of these assets and liabilities with any offsets to arrive at the net amounts recognized in the Consolidated Balance Sheets at December 31, 2021 and December 31, 2020:

Offsetting of Financial Assets and Derivative Assets

<i>(dollar amounts in millions)</i>	Gross amounts of recognized assets	Gross amounts offset in the consolidated balance sheets	Net amounts of assets presented in the consolidated balance sheets	Gross amounts not offset in the consolidated balance sheets		Net amount
				Financial instruments	Cash collateral received	
December 31, 2021	\$ 1,065	\$ (465)	\$ 600	\$ (65)	\$ (31)	\$ 504
December 31, 2020	1,946	(889)	1,057	(112)	(142)	803

Offsetting of Financial Liabilities and Derivative Liabilities

<i>(dollar amounts in millions)</i>	Gross amounts of recognized liabilities	Gross amounts offset in the consolidated balance sheets	Net amounts of liabilities presented in the consolidated balance sheets	Gross amounts not offset in the consolidated balance sheets		Net amount
				Financial instruments	Cash collateral delivered	
December 31, 2021	\$ 743	\$ (624)	\$ 119	\$ (3)	\$ (116)	\$ —
December 31, 2020	1,033	(917)	116	(9)	(105)	2

21. VIEs

Unconsolidated VIEs

The following tables provide a summary of the assets and liabilities included in Huntington's Consolidated Financial Statements, as well as the maximum exposure to losses, associated with its interests related to unconsolidated VIEs for which Huntington holds an interest in, but is not the primary beneficiary of, the VIE at December 31, 2021, and 2020:

<i>(dollar amounts in millions)</i>	December 31, 2021		
	Total Assets	Total Liabilities	Maximum Exposure to Loss
Affordable Housing Tax Credit Partnerships	\$ 1,652	\$ 949	\$ 1,652
Trust Preferred Securities	14	248	—
Other Investments	484	146	484
Total	\$ 2,150	\$ 1,343	\$ 2,136

<i>(dollar amounts in millions)</i>	December 31, 2020		
	Total Assets	Total Liabilities	Maximum Exposure to Loss
Affordable Housing Tax Credit Partnerships	\$ 956	\$ 500	\$ 956
Trust Preferred Securities	14	252	—
Other Investments	308	72	308
Total	\$ 1,278	\$ 824	\$ 1,264

Trust-Preferred Securities

Huntington has certain wholly-owned trusts whose assets, liabilities, equity, income, and expenses are not included within Huntington's Consolidated Financial Statements. These trusts have been formed for the sole purpose of issuing trust-preferred securities, from which the proceeds are then invested in Huntington junior subordinated debentures, which are reflected in Huntington's Consolidated Balance Sheet as long-term debt. The trust securities are the obligations of the trusts, and as such, are not consolidated within Huntington's Consolidated Financial Statements.

A list of trust-preferred securities outstanding at December 31, 2021 follows:

<i>(dollar amounts in millions)</i>	Rate	Principal amount of subordinated note/ debenture issued to trust (1)	Investment in unconsolidated subsidiary
Huntington Capital I	0.91 % (2)	\$ 70	\$ 7
Huntington Capital II	0.83 (3)	32	3
Sky Financial Capital Trust III	1.61 (4)	72	2
Sky Financial Capital Trust IV	1.61 (4)	74	2
Total		\$ 248	\$ 14

(1) Represents the principal amount of debentures issued to each trust, including unamortized original issue discount.

(2) Variable effective rate at December 31, 2021, based on three-month LIBOR +0.70%.

(3) Variable effective rate at December 31, 2021, based on three-month LIBOR +0.625%.

(4) Variable effective rate at December 31, 2021, based on three-month LIBOR +1.40%.

Each issue of the junior subordinated debentures has an interest rate equal to the corresponding trust securities distribution rate. Huntington has the right to defer payment of interest on the debentures at any time, or from time-to-time for a period not exceeding five years provided that no extension period may extend beyond the stated maturity of the related debentures. During any such extension period, distributions to the trust securities will also be deferred and Huntington's ability to pay dividends on its common stock will be restricted. Periodic cash payments and payments upon liquidation or redemption with respect to trust securities are guaranteed by Huntington to the extent of funds held by the trusts. The guarantee ranks subordinate and junior in right of payment to all indebtedness of the Company to the same extent as the junior subordinated debt. The guarantee does not place a limitation on the amount of additional indebtedness that may be incurred by Huntington.

Affordable Housing Tax Credit Partnerships

Huntington makes certain equity investments in various limited partnerships that sponsor affordable housing projects utilizing the LIHTC pursuant to Section 42 of the Internal Revenue Code. The purpose of these investments is to achieve a satisfactory return on capital, to facilitate the sale of additional affordable housing product offerings, and to assist in achieving goals associated with the Community Reinvestment Act. The primary activities of the limited partnerships include the identification, development, and operation of multi-family housing that is leased to qualifying residential tenants. Generally, these types of investments are funded through a combination of debt and equity.

Huntington uses the proportional amortization method to account for a majority of its investments in these entities. These investments are included in other assets. Investments that do not meet the requirements of the proportional amortization method are accounted for using the equity method. Investment losses are included in Other noninterest income in the Consolidated Statements of Income.

The following table presents the balances of Huntington's affordable housing tax credit investments and related unfunded commitments at December 31, 2021 and 2020.

<i>(dollar amounts in millions)</i>	December 31, 2021	December 31, 2020
Affordable housing tax credit investments	\$ 2,376	\$ 1,568
Less: amortization	(724)	(612)
Net affordable housing tax credit investments	\$ 1,652	\$ 956
Unfunded commitments	\$ 949	\$ 500

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The following table presents other information relating to Huntington's affordable housing tax credit investments for the years ended December 31, 2021, 2020, and 2019:

<i>(dollar amounts in millions)</i>	Year Ended December 31,		
	2021	2020	2019
Tax credits and other tax benefits recognized	\$ 144	\$ 113	\$ 98
Proportional amortization expense included in provision for income taxes	126	97	84

There were no sales of affordable housing tax credit investments during the years ended December 31, 2021 and 2020, and 2019. There was no impairment recognized for the years ended December 31, 2021 and 2020, and 2019.

Other Investments

Other investments determined to be VIE's include investments in Small Business Investment Companies, Historic Tax Credit Investments, certain equity method investments, renewable energy financings, and other miscellaneous investments.

22. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments to extend credit

In the ordinary course of business, Huntington makes various commitments to extend credit that are not reflected in the Consolidated Financial Statements. The contract amounts of these financial agreements at December 31, 2021, and December 31, 2020 were as follows:

<i>(dollar amounts in millions)</i>	At December 31,	
	2021	2020
Contract amount representing credit risk		
Commitments to extend credit:		
Commercial	\$ 27,933	\$ 20,701
Consumer	18,513	14,808
Commercial real estate	3,042	1,313
Standby letters of credit and guarantees on industrial revenue bonds	694	581
Commercial letters of credit	36	21

Commitments to extend credit generally have fixed expiration dates, are variable-rate, and contain clauses that permit Huntington to terminate or otherwise renegotiate the contracts in the event of a significant deterioration in the customer's credit quality. These arrangements normally require the payment of a fee by the customer, the pricing of which is based on prevailing market conditions, credit quality, probability of funding, and other relevant factors. Since many of these commitments are expected to expire without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements. The interest rate risk arising from these financial instruments is insignificant as a result of their predominantly short-term, variable-rate nature. Collateral to secure any funding of these commitments predominately consists of residential and commercial real estate mortgage loans.

Standby letters of credit and guarantees on industrial revenue bonds are conditional commitments issued to guarantee the performance of a customer to a third-party. These guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Most of these arrangements mature within two years. Since the conditions under which Huntington is required to fund these commitments may not materialize, the cash requirements are expected to be less than the total outstanding commitments. The carrying amount of deferred revenue associated with these guarantees was \$7 million and \$5 million at December 31, 2021 and December 31, 2020, respectively.

Commercial letters of credit represent short-term, self-liquidating instruments that facilitate customer trade transactions and generally have maturities of no longer than 90 days. The goods or cargo being traded normally secure these instruments.

Litigation and Regulatory Matters

In the ordinary course of business, Huntington is routinely a defendant in or party to pending and threatened legal and regulatory actions and proceedings.

In view of the inherent difficulty of predicting the outcome of such matters, particularly where the claimants seek very large or indeterminate damages or where the matters present novel legal theories or involve a large number of parties, Huntington generally cannot predict what the eventual outcome of the pending matters will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each matter may be.

Huntington establishes an accrued liability when those matters present loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. Huntington thereafter continues to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established.

For certain matters, Huntington is able to estimate a range of possible loss. In cases in which Huntington possesses information to estimate a range of possible loss, that estimate is aggregated and disclosed below. There may be other matters for which a loss is probable or reasonably possible but such an estimate of the range of possible loss may not be possible. For those matters where an estimate of the range of possible loss is possible, management currently estimates the aggregate range of reasonably possible loss is \$0 to \$15 million at December 31, 2021 in excess of the accrued liability (if any) related to those matters. This estimated range of possible loss is based upon currently available information and is subject to significant judgment, a variety of assumptions, and known and unknown uncertainties. The matters underlying the estimated range will change from time to time, and actual results may vary significantly from the current estimate. The estimated range of possible loss does not represent Huntington's maximum loss exposure.

Based on current knowledge, management does not believe that loss contingencies arising from pending matters will have a material adverse effect on the consolidated financial position of Huntington. Further, management believes that amounts accrued are adequate to address Huntington's contingent liabilities. However, in light of the inherent uncertainties involved in these matters, some of which are beyond Huntington's control, and the large or indeterminate damages sought in some of these matters, an adverse outcome in one or more of these matters could be material to Huntington's results of operations for any particular reporting period.

23. OTHER REGULATORY MATTERS

Huntington and the Bank are subject to certain risk-based capital and leverage ratio requirements under the U.S. Basel III capital rules adopted by the Federal Reserve, for Huntington, and by the OCC, for the Bank. These rules implement the Basel III international regulatory capital standards in the United States, as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the Federal Reserve and OCC may determine that a banking organization, based on its size, complexity or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner.

Under the U.S. Basel III capital rules, Huntington's and the Bank's assets, exposures and certain off-balance sheet items are subject to risk weights used to determine the institutions' risk-weighted assets. These risk-weighted assets are used to calculate the following minimum capital ratios for Huntington and the Bank:

CET1 Risk-Based Capital Ratio, equal to the ratio of CET1 capital to risk-weighted assets. CET1 capital primarily includes common shareholders' equity subject to certain regulatory adjustments and deductions, including with respect to goodwill, intangible assets, certain deferred tax assets, and AOCI.

Tier 1 Risk-Based Capital Ratio, equal to the ratio of Tier 1 capital to risk-weighted assets. Tier 1 capital is primarily comprised of CET1 capital, perpetual preferred stock and certain qualifying capital instruments.

Total Risk-Based Capital Ratio, equal to the ratio of total capital, including CET1 capital, Tier 1 capital and Tier 2 capital, to risk-weighted assets. Tier 2 capital primarily includes qualifying subordinated debt and qualifying ALLL. Tier 2 capital also includes, among other things, certain trust preferred securities.

Tier 1 Leverage Ratio, equal to the ratio of Tier 1 capital to quarterly average assets (net of goodwill, certain other intangible assets and certain other deductions).

The total minimum regulatory capital ratios and well-capitalized minimum ratios are reflected on the following page.

Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our operations or financial condition. Failure to be well-capitalized or to meet minimum capital requirements could also result in restrictions on Huntington's or the Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications.

In addition to meeting the minimum capital requirements, under the U.S. Basel III capital rules Huntington and the Bank must also maintain the required stress capital buffer, which has been established as 2.5% for Huntington, to avoid becoming subject to restrictions on capital distributions and certain discretionary bonus payments to management. The stress capital buffer is calculated as a ratio of CET1 capital to risk-weighted assets, and it effectively increases the required minimum risk-based capital ratios.

As of December 31, 2021, Huntington's and the Bank's regulatory capital ratios were above the well-capitalized standards and met the applicable stress capital buffer. Please refer to the table below for a summary of Huntington's and the Bank's regulatory capital ratios.

		Minimum Regulatory Capital Ratios	Minimum Ratio+Capital Conservation Buffer (1)	Well- Capitalized Minimums	Basel III			
					December 31,			
					2021		2020	
					Ratio	Amount	Ratio	Amount
<i>(dollar amounts in millions)</i>								
CET 1 risk-based capital	Consolidated	4.50 %	7.00 %	N/A	9.33 %	\$ 12,249	10.00 %	\$ 8,887
	Bank	4.50	7.00	6.50 %	10.15	13,261	10.65	9,438
Tier 1 risk-based capital	Consolidated	6.00	8.50	6.00	10.99	14,426	12.47	11,083
	Bank	6.00	8.50	8.00	11.06	14,445	11.97	10,601
Total risk-based capital	Consolidated	8.00	10.50	10.00	13.14	17,246	14.46	12,856
	Bank	8.00	10.50	10.00	12.58	16,427	13.58	12,032
Tier 1 leverage	Consolidated	4.00	N/A	N/A	8.56	14,426	9.32	9,854
	Bank	4.00	N/A	5.00	8.60	14,445	8.94	10,601

(1) Reflects the stress capital buffer of 2.5%.

Huntington and its subsidiaries are also subject to various regulatory requirements that impose restrictions on cash, debt, and dividends. The Bank is required to maintain cash reserves based on the level of certain of its deposits. This reserve requirement may be met by holding cash in banking offices or on deposit at the FRB. During 2021 and 2020, the average balances of these deposits were \$7.2 billion and \$3.9 billion, respectively.

Under current Federal Reserve regulations, the Bank is limited as to the amount and type of loans it may make to the parent company and nonbank subsidiaries. At December 31, 2021, the Bank could lend \$1.6 billion to a single affiliate, subject to the qualifying collateral requirements defined in the regulations.

Dividends from the Bank are one of the major sources of funds for the Company. These funds aid the Company in the payment of dividends to shareholders, expenses, and other obligations. Payment of dividends and/or return of capital to the parent company is subject to various legal and regulatory limitations. During 2021, the Bank paid dividends of \$1.4 billion to the parent company. Also, there are statutory and regulatory limitations on the ability of national banks to pay dividends or make other capital distributions.

24. PARENT-ONLY FINANCIAL STATEMENTS

The parent-only financial statements, which include transactions with subsidiaries, are as follows:

Balance Sheets

(dollar amounts in millions)

	December 31,	
	2021	2020
Assets		
Cash and due from banks	\$ 2,832	\$ 4,466
Due from The Huntington National Bank	297	297
Due from non-bank subsidiaries	35	37
Investment in The Huntington National Bank	19,297	12,509
Investment in non-bank subsidiaries	217	147
Accrued interest receivable and other assets	544	429
Total assets	\$ 23,222	\$ 17,885
Liabilities and shareholders' equity		
Long-term borrowings	\$ 3,111	\$ 4,142
Dividends payable, accrued expenses, and other liabilities	815	750
Total liabilities	3,926	4,892
Shareholders' equity (1)	19,296	12,993
Total liabilities and shareholders' equity	\$ 23,222	\$ 17,885

(1) See Consolidated Statements of Changes in Shareholders' Equity.

Statements of Income

(dollar amounts in millions)

	Year Ended December 31,		
	2021	2020	2019
Income			
Dividends from:			
The Huntington National Bank	\$ 1,394	\$ 1,527	\$ 685
Non-bank subsidiaries	19	36	3
Interest from:			
The Huntington National Bank	3	4	8
Non-bank subsidiaries	1	1	2
Other	—	11	2
Total income	1,417	1,579	700
Expense			
Personnel costs	6	17	6
Interest on borrowings	60	115	143
Other	230	123	145
Total expense	296	255	294
Income before income taxes and equity in undistributed net income of subsidiaries	1,121	1,324	406
Provision (benefit) for income taxes	(56)	(46)	(63)
Income before equity in undistributed net income of subsidiaries	1,177	1,370	469
Increase (decrease) in undistributed net income (loss) of:			
The Huntington National Bank	97	(547)	908
Non-bank subsidiaries	21	(6)	34
Net income	\$ 1,295	\$ 817	\$ 1,411
Other comprehensive income (loss) (1)	(421)	448	353
Comprehensive income	\$ 874	\$ 1,265	\$ 1,764

(1) See Consolidated Statements of Comprehensive Income for other comprehensive income (loss) detail.

Statements of Cash Flows
(dollar amounts in millions)

	Year Ended December 31,		
	2021	2020	2019
Operating activities			
Net income	\$ 1,295	\$ 817	\$ 1,411
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed net income of subsidiaries	(118)	553	(942)
Depreciation and amortization	23	—	(2)
Other, net	(217)	89	(19)
Net cash (used for) provided by operating activities	983	1,459	448
Investing activities			
Repayments from subsidiaries	8	8	701
Advances to subsidiaries	(59)	(256)	(11)
(Purchases)/Proceeds from sale of securities	(28)	(1)	(38)
Net cash received from business combination	248	—	—
Net cash (used for) provided by investing activities	169	(249)	652
Financing activities			
Net proceeds from issuance of medium-term notes	513	747	797
Payment of long-term debt	(1,508)	(800)	—
Dividends paid on common and preferred stock	(888)	(698)	(671)
Repurchases of common stock	(650)	(92)	(441)
Net proceeds from issuance of preferred stock	486	988	—
Payment to repurchase preferred stock	(700)	—	—
Other, net	(39)	(8)	(18)
Net cash provided by (used for) financing activities	(2,786)	137	(333)
Increase (decrease) in cash and cash equivalents	(1,634)	1,347	767
Cash and cash equivalents at beginning of year	4,466	3,119	2,352
Cash and cash equivalents at end of year	\$ 2,832	\$ 4,466	\$ 3,119
Supplemental disclosure:			
Interest paid	\$ 71	\$ 113	\$ 135

25. SEGMENT REPORTING

Huntington's business segments are based on our internally-aligned segment leadership structure, which is how management monitors results and assesses performance. The Company has four major business segments: Commercial Banking, Consumer and Business Banking, Vehicle Finance, Regional Banking and The Huntington Private Client Group (RBHPCG). The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

Business segment results are determined based upon Huntington's management reporting system, which assigns balance sheet and income statement items to each of the business segments. The process is designed around the organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions. Additionally, because of the interrelationships of the various segments, the information presented is not indicative of how the segments would perform if they operated as independent entities.

Revenue is recorded in the business segment responsible for the related product or service. Fee sharing is recorded to allocate portions of such revenue to other business segments involved in selling to, or providing service to customers. Results of operations for the business segments reflect these fee sharing allocations.

The management process that develops the business segment reporting utilizes various estimates and allocation methodologies to measure the performance of the business segments. Expenses are allocated to business segments using a two-phase approach. The first phase consists of measuring and assigning unit costs (activity-based costs) to activities related to product origination and servicing. These activity-based costs are then extended, based on volumes, with the resulting amount allocated to business segments that own the related products. The second phase consists of the allocation of overhead costs to all four business segments from Treasury / Other. Huntington utilizes a full-allocation methodology, where all Treasury / Other expenses, except reported acquisition-related net expenses, if any, and a small amount of other residual unallocated expenses, are allocated to the four business segments.

The management policies and processes utilized in compiling segment financial information are highly subjective and, unlike financial accounting, are not based on authoritative guidance similar to GAAP. As a result, reported segment results are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures result in changes in reported segment financial data. Accordingly, certain amounts have been reclassified to conform to the current period presentation.

Huntington uses an active and centralized FTP methodology to attribute appropriate net interest income to the business segments. The intent of the FTP methodology is to transfer interest rate risk from the business segments by providing matched duration funding of assets and liabilities. The result is to centralize the financial impact, management, and reporting of interest rate risk in the Treasury / Other function where it can be centrally monitored and managed. The Treasury / Other function charges (credits) an internal cost of funds for assets held in (or pays for funding provided by) each business segment. The FTP rate is based on prevailing market interest rates for comparable duration assets (or liabilities).

Commercial Banking - Through a relationship banking model, the Commercial Banking segment provides a comprehensive set of product offerings and capabilities to middle market, large corporate, specialized industries and government/public sector customers located within our geographic footprint, as well as nationally. The segment is divided into five business units: Regional Commercial Banking, Specialty Banking, Asset Finance, Treasury Management and Capital Markets.

Consumer and Business Banking - The Consumer and Business Banking segment, including Home Lending, provides a wide array of financial products and services to consumer and small business customers including but not limited to checking accounts, savings accounts, money market accounts, CDs, investments, consumer loans, credit cards, and small business loans. Other financial services available to customers include mortgages, insurance, interest rate risk protection, foreign exchange, and treasury management. Business Banking is defined as serving companies with revenues up to \$20 million. Home Lending supports origination and servicing of consumer loans and mortgages for customers who are generally located in our primary banking markets across all segments.

Vehicle Finance - Our products and services include providing financing to consumers for the purchase of automobiles, light-duty trucks, recreational vehicles, and marine craft at franchised and other select dealerships, and providing financing to franchised dealerships for the acquisition of new and used inventory. Products and services are delivered through highly specialized relationship-focused bankers and product partners.

Regional Banking and The Huntington Private Client Group - The core business of The Huntington Private Client Group is The Huntington Private Bank, which consists of Private Banking, Wealth & Investment Management, and Retirement Plan Services. The Huntington Private Bank provides high net-worth customers with deposit, lending (including specialized lending options), and banking services. The Huntington Private Bank also delivers wealth management and legacy planning through investment and portfolio management, fiduciary administration, and trust services. This group also provides retirement plan services to corporate businesses. The Huntington Private Client Group provides corporate trust services and institutional and mutual fund custody services.

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Listed in the table below is certain operating basis financial information reconciled to Huntington's December 31, 2021, December 31, 2020, and December 31, 2019, reported results by business segment:

Income Statements (<i>dollar amounts in millions</i>)	Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
2021						
Net interest income	\$ 1,284	\$ 1,667	\$ 468	\$ 159	\$ 524	\$ 4,102
Provision for credit losses	4	91	(86)	16	—	25
Noninterest income	523	1,045	13	227	81	1,889
Noninterest expense	791	2,231	163	300	890	4,375
Provision (benefit) for income taxes	212	82	85	15	(100)	294
Income attributable to non-controlling interest	2	—	—	—	—	2
Net income attributable to Huntington Bancshares Inc	\$ 798	\$ 308	\$ 319	\$ 55	\$ (185)	\$ 1,295
2020						
Net interest income	\$ 903	\$ 1,436	\$ 430	\$ 160	\$ 295	\$ 3,224
Provision for credit losses	626	265	146	11	—	1,048
Noninterest income	364	945	9	201	72	1,591
Noninterest expense	542	1,774	141	243	95	2,795
Provision for income taxes	21	72	32	22	8	155
Net income	\$ 78	\$ 270	\$ 120	\$ 85	\$ 264	\$ 817
2019						
Net interest income	\$ 1,037	\$ 1,766	\$ 397	\$ 198	\$ (185)	\$ 3,213
Provision for credit losses	132	114	44	(3)	—	287
Noninterest income	359	825	12	198	60	1,454
Noninterest expense	564	1,673	148	256	80	2,721
Provision (benefit) for income taxes	147	169	45	30	(143)	248
Net income (loss)	\$ 553	\$ 635	\$ 172	\$ 113	\$ (62)	\$ 1,411

<i>(dollar amounts in millions)</i>	Assets at December 31,		Deposits at December 31,	
	2021	2020	2021	2020
Commercial Banking	57,071	36,311	31,845	24,766
Consumer & Business Banking	\$ 39,929	\$ 30,758	\$ 95,352	\$ 60,910
Vehicle Finance	20,752	19,789	1,401	722
RBHPCG	8,325	7,064	10,162	7,635
Treasury / Other	47,987	29,116	4,503	4,915
Total	\$ 174,064	\$ 123,038	\$ 143,263	\$ 98,948

Item 9: Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A: Controls and Procedures

Disclosure Controls and Procedures

Huntington maintains disclosure controls and procedures designed to ensure that the information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the Exchange Act), are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Huntington's management, with the participation of its Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of Huntington's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021. Based upon such evaluation, Huntington's Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2021, Huntington's disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

Information required by this item is set forth in the Report of Management's Assessment of Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

Huntington completed the integration and conversion of TCF financial systems in the fourth quarter of 2021. There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Item 9B: Other Information

Not applicable.

Item 9C: Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

We refer in Part III of this report to relevant sections of our 2022 Proxy Statement for the 2022 annual meeting of shareholders, which will be filed with the SEC pursuant to Regulation 14A within 120 days of the close of our 2021 fiscal year. Portions of our 2022 Proxy Statement, including the sections we refer to in this report, are incorporated by reference into this report.

Item 10: Directors, Executive Officers and Corporate Governance

Information required by this item is set forth under the captions Election of Directors, Our Executive Officers, Family Relationships, Delinquent Section 16(a) Reports, Codes of Ethics, Recommendations for Directorship, and Board Committee Information of our 2022 Proxy Statement, which is incorporated by reference into this item.

Item 11: Executive Compensation

Information required by this item is set forth under the captions Compensation of Executive Officers and Compensation of Directors of our 2022 Proxy Statement, which is incorporated by reference into this item.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information about Huntington common stock authorized for issuance under Huntington’s existing equity compensation plans as of December 31, 2021.

Plan Category (1)	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (2)(3) (a)	Weighted-average exercise price of outstanding options, warrants, and rights (4) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (5) (c)
Equity compensation plans approved by security holders	32,574,357	\$ 5.19	30,912,793
Equity compensation plans not approved by security holders	—	—	—
Total	32,574,357	\$ 5.19	30,912,793

- (1) All equity compensation plan authorizations for shares of common stock provide for the number of shares to be adjusted for stock splits, stock dividends, and other changes in capitalization. The Huntington 401(k) Plan, a broad-based plan qualified under Internal Revenue Code Section 401(a) which includes Huntington common stock as one of a number of investment options available to participants, is excluded from the table.
- (2) The numbers in this column (a) reflect shares of common stock to be issued upon exercise of outstanding stock options and the vesting of outstanding awards of RSAs, RSUs, and PSUs, and the release of DSUs.
- (3) As of December 31, 2021, an additional 4,471,184 common shares, at a weighted-average exercise price of \$2.12, are to be issued upon exercise or vesting under the TCF Incentive Plan which was assumed in the acquisition of TCF, is no longer active, and for which Huntington has not reserved the right to make subsequent grants or awards.
- (4) The weighted-average exercise prices in this column are based on outstanding options and do not take into account unvested awards of RSAs, RSUs and PSUs and unreleased DSUs as these awards do not have an exercise price.
- (5) The number of shares in this column (c) reflects the number of shares remaining available for future issuance under Huntington’s 2018 Plan, excluding shares reflected in column (a). The number of shares in this column (c) does not include shares of common stock to be issued under the following compensation plans: the Executive Deferred Compensation Plan, which provides senior officers designated by the Compensation Committee the opportunity to defer up to 90% of base salary, annual bonus compensation and certain equity awards, and up to 90% of long-term incentive awards; the Supplemental Plan under which voluntary participant contributions made by payroll deduction are used to purchase shares; the Deferred Compensation for Huntington Bancshares Incorporated Directors under which directors may defer their director compensation and such amounts may be invested in shares of common stock; and the Deferred Compensation Plan for directors (now inactive) under which directors of selected subsidiaries may defer their director compensation and such amounts may be invested in shares of Huntington common stock. These plans do not contain a limit on the number of shares that may be issued under them.

The information related to item 403 of regulation S-K is set forth under the caption Ownership of Voting Stock of our 2022 Proxy Statement, which is incorporated by reference into this item.

Item 13: Certain Relationships and Related Transactions, and Director Independence

Information required by this item is set forth under the captions Review, Approval, or Ratification of Transactions with Related Persons and Independence of Directors of our 2022 Proxy Statement, which are incorporated by reference into this item.

Item 14: Principal Accounting Fees and Services

Information required by this item is set forth under the caption Audit Matters of our 2022 Proxy Statement which is incorporated by reference into this item.

PART IV

Item 15: Exhibits and Financial Statement Schedules

Financial Statements and Financial Statement Schedules

Our consolidated financial statements required in response to this Item are incorporated by reference from Item 8 of this Report.

Exhibits

Our exhibits listed on the Exhibit Index of this Form 10-K are filed with this Report or are incorporated herein by reference.

Item 16: 10-K Summary

Not applicable.

Exhibit Index

This report incorporates by reference the documents listed below that we have previously filed with the SEC. The SEC allows us to incorporate by reference information in this document. The information incorporated by reference is considered to be a part of this document, except for any information that is superseded by information that is included directly in this document.

The SEC maintains an Internet web site that contains reports, proxy statements, and other information about issuers, like us, who file electronically with the SEC. The address of the site is <http://www.sec.gov>. The reports and other information filed by us with the SEC are also available free of charge at our Internet web site. The address of the site is <http://www.huntington.com>. Except as specifically incorporated by reference into this Annual Report on Form 10-K, information on those web sites is not part of this report. You also should be able to inspect reports, proxy statements, and other information about us at the offices of the Nasdaq National Market at 33 Whitehall Street, New York, New York 10004.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
2.1	Agreement and Plan of Merger, dated as of December 13, 2020, by and between Huntington Bancshares Incorporated and TCF Financial Corporation	Current Report on Form 8-K dated December 17, 2020.	001-34073	2.1
3.1	Articles Supplementary of Huntington Bancshares Incorporated, as of January 18, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.1
3.2	Articles of Restatement of Huntington Bancshares Incorporated, as of January 18, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.2
3.3	Bylaws of Huntington Bancshares Incorporated, as amended and restated on January 16, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.3
3.4	Articles Supplementary of Huntington Bancshares Incorporated, as of February 5, 2021.	Current Report on Form 8-K dated February 5, 2021	001-34073	3.1
3.5	Articles Supplementary of Huntington Bancshares Incorporated, as of August 5, 2020.	Current Report on Form 8-K dated August 5, 2020.	001-34073	3.1
3.6	Articles Supplementary of Huntington Bancshares Incorporated, as of May 28, 2020.	Current Report on Form 8-K dated May 28, 2020	001-34073	3.1
3.7	Articles Supplementary of Huntington Bancshares Incorporated, as of June 8, 2021	Current Report on Form 8-K dated June 8, 2021	001-34073	3.1
3.8	Articles of Amendment of Huntington Bancshares Incorporated to Articles of Restatement of Huntington Bancshares Incorporated, as of June 8, 2021	Current Report on Form 8-K dated June 8, 2021	001-34073	3.2
4.1	Instruments defining the Rights of Security Holders — reference is made to Articles Fifth, Eighth, and Tenth of Articles of Restatement of Charter, as amended and supplemented. Instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission upon request.			
4.2	Description of Securities			
10.1	* Form of Executive Agreement for certain executive officers.	Current Report on Form 8-K, dated November 28, 2012.	001-34073	10.3
10.2(P)	* Deferred Compensation Plan and Trust for Directors	Post-Effective Amendment No. 2 to Registration Statement on Form S-8 filed on January 28, 1991.	33-10546	4(a)
10.3	* The Huntington Supplemental Stock Purchase and Tax Savings Plan and Trust, amended and restated, effective January 1, 2014.	Annual Report on Form 10-K for the year ended December 31, 2013.	001-34073	10.8
10.4	* Form of Employment Agreement between Stephen D. Steinour and Huntington Bancshares Incorporated effective December 1, 2012.	Current Report on Form 8-K dated November 28, 2012.	001-34073	10.1
10.5	* Form of Executive Agreement between Stephen D. Steinour and Huntington Bancshares Incorporated effective December 1, 2012.	Current Report on Form 8-K dated November 28, 2012.	001-34073	10.2
10.6	* Restricted Stock Unit Deferral Agreement.	Current Report on Form 8-K dated July 24, 2006.	000-02525	99.3
10.7	* Director Deferred Stock Award Notice.	Current Report on Form 8-K dated July 24, 2006.	000-02525	99.4
10.8	* Huntington Bancshares Incorporated 2007 Stock and Long-Term Incentive Plan.	Definitive Proxy Statement for the 2007 Annual Meeting of Stockholders.	000-02525	G
10.9	* Second Amendment to the 2007 Stock and Long-Term Incentive Plan.	Definitive Proxy Statement for the 2010 Annual Meeting of Shareholders.	001-34073	A
10.10	* Form of Consolidated 2012 Stock Grant Agreement for Executive Officers Pursuant to Huntington's 2012 Long-Term Incentive Plan.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.	001-34073	10.2

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10.11	<u>* Form of 2014 Stock Option Grant Agreement for Executive Officers.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.</u>	<u>001-34073</u>	<u>10.2</u>
10.12	<u>* Form of 2014 Performance Stock Unit Grant Agreement for Executive Officers.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.</u>	<u>001-34073</u>	<u>10.3</u>
10.13	<u>* Form of 2014 Restricted Stock Unit Grant Agreement for Executive Officers Version II.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.</u>	<u>001-34073</u>	<u>10.4</u>
10.14	<u>* Form of 2014 Stock Option Grant Agreement for Executive Officers Version II.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.</u>	<u>001-34073</u>	<u>10.5</u>
10.15	<u>*Huntington Bancshares Incorporated 2012 Long-Term Incentive Plan.</u>	<u>Definitive Proxy Statement for the 2012 Annual Meeting of Shareholders.</u>	<u>001-34073</u>	<u>A</u>
10.16	<u>*Huntington Bancshares Incorporated 2015 Long-Term Incentive Plan.</u>	<u>Definitive Proxy Statement for the 2015 Annual Meeting of Shareholders.</u>	<u>001-34073</u>	<u>A</u>
10.17	<u>*Form of 2015 Stock Option Grant Agreement.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.</u>	<u>001-34073</u>	<u>10.2</u>
10.18	<u>*Form of 2015 Restricted Stock Unit Grant Agreement.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.</u>	<u>001-34073</u>	<u>10.3</u>
10.19	<u>*Huntington Bancshares Incorporated Restricted Stock Unit Grant Agreement.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.</u>	<u>001-34073</u>	<u>10.1</u>
10.20	<u>* Amended and Restated Deferred Compensation Plan and Trust for Huntington Bancshares Incorporated Directors</u>	<u>Annual Report on Form 10-K for the year ended December 31, 2017.</u>	<u>001-34073</u>	<u>10.33</u>
10.21	<u>* First Amendment to the 2015 Long-Term Incentive Plan</u>	<u>Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.</u>	<u>001-34073</u>	<u>10.1</u>
10.22	<u>*Huntington Bancshares Incorporated Amended and Restated 2018 Long-Term Incentive Plan.</u>			
10.23	<u>*Form of 2018 Stock Option Grant Agreement.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.</u>	<u>001-34073</u>	<u>10.2</u>
10.24	<u>*Form of 2018 Restricted Stock Unit Agreement.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.</u>	<u>001-34073</u>	<u>10.3</u>
10.25	<u>*Executive Deferred Compensation Plan, through January 18, 2022.</u>			
10.26	<u>*Huntington Supplemental 401(k) Plan (f/k/a Huntington Supplemental Stock Purchase and Savings Plan and Trust), as amended and restated effective January 1, 2019.</u>	<u>Annual Report on Form 10-K for the year ended December 31, 2018.</u>	<u>001-34073</u>	<u>10.40</u>
10.27	<u>Transition Agreement dated May 13, 2019, by and between The Huntington National Bank and Howell D. McCullough</u>	<u>Current Report on Form 8-K, dated May 13, 2019.</u>	<u>001-34073</u>	<u>10.1</u>
10.28	<u>*Second Amendment to Huntington Supplemental 401(k) Plan dated October 22, 2019.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended September 30, 2019.</u>	<u>001-34073</u>	<u>10.1</u>
10.29	<u>*First Amendment to The Huntington National Bank Supplemental Retirement Income Plan dated October 23, 2019.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended September 30, 2019.</u>	<u>001-34073</u>	<u>10.2</u>
10.30	<u>*Management Incentive Plan effective for Plan Years Beginning On or After January 1, 2020.</u>	<u>Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.</u>	<u>001-34073</u>	<u>10.1</u>
10.31	<u>*Letter Agreement dated December 13, 2020, by and between Huntington Bancshares Incorporated and Gary Torgow.</u>			
10.32	<u>*Letter Agreement dated February 2, 2021, by and between Huntington Bancshares Incorporated and Michael Jones.</u>			
10.33	<u>*Letter Agreement dated February 4, 2021, by and between Huntington Bancshares Incorporated and Thomas C. Shafer.</u>			
10.34	<u>*Form of Restricted Stock Unit Agreement pursuant to the Stock Incentive Plan of 2019 for Time-Based Restricted Stock Units.</u>	<u>TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.</u>	<u>001-39009</u>	<u>10(d)</u>
10.35	<u>*Form of Restricted Stock Unit Agreement pursuant to the Stock Incentive Plan of 2019 for Performance-Based Restricted Stock Units.</u>	<u>TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.</u>	<u>001-39009</u>	<u>10(e)</u>
10.36	<u>*Form of Restricted Stock Unit Agreement pursuant to the TCF Financial 2015 Omnibus Incentive Plan for Time-Based Restricted Stock Units.</u>	<u>TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.</u>	<u>001-39009</u>	<u>10(i)</u>
10.37	<u>*Form of Restricted Stock Unit Agreement pursuant to the TCF Financial 2015 Omnibus Incentive Plan for Performance-Based Restricted Stock Units.</u>	<u>TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.</u>	<u>001-39009</u>	<u>10(i)</u>
10.38	<u>*Amended and Restated TCF Financial 2015 Omnibus Incentive Plan.</u>	<u>TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2018.</u>	<u>001-10253</u>	<u>10(a)</u>
10.39	<u>*Stock Incentive Plan of 2019.</u>	<u>TCF Definitive Proxy Statement for the 2019 Annual Meeting of Shareholders.</u>	<u>001-39009</u>	<u>A</u>
10.40	<u>*TCF 401K Supplemental Plan, as amended and restated effective January 1, 2020.</u>	<u>TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2019.</u>	<u>000-08185</u>	<u>10(gg)</u>

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10.41	*TCF Employees Omnibus Deferred Compensation Plan, as restated effective April 15, 2019.	TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2019.	000-08185	10(rr)
10.42	*Rabbi Trust Agreement for TCF Employees Omnibus Deferred Compensation Plan.	TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2019.	000-08185	10(ss)
14.1(P)	Code of Business Conduct and Ethics dated January 14, 2003 and revised on January 31, 2022 and Financial Code of Ethics for Chief Executive Officer and Senior Financial Officers, adopted January 18, 2003 and revised on October 20, 2015, are available on our website at http://www.huntington.com/About-Us/corporate-governance			
21.1	Subsidiaries of the Registrant			
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.			
24.1	Power of Attorney			
31.1	Rule 13a-14(a) Certification – Chief Executive Officer.			
31.2	Rule 13a-14(a) Certification – Chief Financial Officer.			
32.1	Section 1350 Certification – Chief Executive Officer.			
32.2	Section 1350 Certification – Chief Financial Officer.			
101	The following material from Huntington's Form 10-K Report for the year ended December 31, 2021, formatted in Inline XBRL: (1) Consolidated Balance Sheets , (2) Consolidated Statements of Income , (3) Consolidated Statements of Comprehensive Income , (4) Consolidated Statements of Changes in Shareholders' Equity , (5) Consolidated Statements of Cash Flows and (6) the Notes to the Consolidated Financial Statements .			
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.			

* Denotes management contract or compensatory plan or arrangement.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 18th day of February, 2022.

HUNTINGTON BANCSHARES INCORPORATED
(Registrant)

By: /s/ Stephen D. Steinour
Stephen D. Steinour
Chairman, President, Chief Executive
Officer, and Director (Principal Executive Officer)

By: /s/ Zachary Wasserman
Zachary Wasserman
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Nancy E. Maloney
Nancy E. Maloney
Executive Vice President, Controller
(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 18th day of February, 2022.

Lizabeth Ardisana *
Lizabeth Ardisana
Director

Alanna Y. Cotton *
Alanna Y. Cotton
Director

Ann B. Crane *
Ann B. Crane
Director

Robert S. Cubbin *
Robert S. Cubbin
Director

Steven G. Elliott *
Steven G. Elliott
Director

Gina D. France *
Gina D. France
Director

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J. Michael Hochschwender *

J. Michael Hochschwender
Director

Richard H. King *

Richard H. King
Director

Katherine M. A. Kline *

Katherine M. A. Kline
Director

Barbara L. McQuade *

Barbara L. McQuade
Director

Richard W. Neu *

Richard W. Neu
Director

Kenneth J. Phelan *

Kenneth J. Phelan
Director

David L. Porteous *

David L. Porteous
Director

Roger J. Sit *

Roger J. Sit
Director

Gary Torgow *

Gary Torgow
Director

Jeffrey L. Tate *

Jeffrey L. Tate
Director

*/s/ Jana J. Litsey

Jana J. Litsey
Attorney-in-fact for each of the persons indicated

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2021, Huntington Bancshares Incorporated ("Huntington," "we," "our," "us," and the "Company") had three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

- 1) Common Stock, par value \$0.01 per share
- 2) Depositary Shares Each Representing a 1/40th Interest in a Share of 4.500% Series H Non-Cumulative, Perpetual Preferred Stock, par value \$0.01 per share
- 3) Depositary Shares Each Representing a 1/1000th Interest in a Share of 5.70% Series I Non-Cumulative, Perpetual Preferred Stock, par value \$0.01 per share

The total number of shares of all classes of stock which the Company has authority to issue is 2,256,617,808, of which 2,250,000,000 shares are classified as Common Stock, par value \$0.01 per share, and 6,617,808 shares are classified as Serial Preferred Stock, par value \$0.01 per share (the "Serial Preferred Stock"), of which 500,000 shares of Serial Preferred Stock are designated as 4.500% Series H Non-Cumulative, Perpetual Preferred Stock, par value \$0.01 per share (the "Series H Preferred Stock") and 7,000 shares of Serial Preferred Stock are designated as 5.70% Series I Non-Cumulative, Perpetual Preferred Stock, par value \$0.01 per share (the "Series I Preferred Stock").

Shares of Serial Preferred Stock may be issued from time to time in one or more series. Huntington's board of directors is authorized, within the limitations and restrictions stated in article fifth of Huntington's charter and pursuant to the Maryland General Corporation Law, to establish the serial designations of the Serial Preferred Stock and any such series (a) may have such voting powers full or limited, or may be without voting powers; (b) may be subject to redemption at such time or times and at such prices; (c) may be entitled to receive dividends or other distributions (which may be cumulative or noncumulative) at such rate or rates, on such conditions, and at such times and payable in preference to, or in such relation to, the dividends or other distributions payable on any other class or classes or series of stock; (d) may have such rights upon the dissolution of, or upon any distribution of the assets of, Huntington; (e) may be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of Huntington, at such price or prices or at such rates of exchange, and with such adjustments; and (f) shall have such other preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms or conditions of redemption or other rights, all as are authorized by the board of directors and stated and expressed in the articles supplementary or other charter document providing for the authorization of such Serial Preferred Stock.

A summary of the designations of the authorized and registered classes of Serial Preferred Stock or of any series thereof, and the powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions of that stock, or of the authority of Huntington's board of directors to authorize those designations and other terms, is as follows. For a complete description, we refer you to the Maryland General Corporation Law, our charter and our bylaws.

1) Description of Common Stock, par value \$0.01 per share

Holders of our common stock are entitled to receive dividends when authorized by our board of directors and declared by us out of assets legally available for the payment of dividends. They are also entitled to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up, or after payment of or adequate provision for all of our known debts and liabilities. These rights are subject to the preferential rights of any other class or series of our stock.

Except as may otherwise be specified in the terms of any class or series of common stock, each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess the exclusive voting power. There is no cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of common stock can elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors.

Holders of our common stock have no preference, conversion, exchange, sinking fund or redemption rights, have no preemptive rights to subscribe for any of our securities and generally have no appraisal rights except in certain limited transactions. All shares of common stock will have equal dividend, liquidation and other rights. Under Maryland law, our stockholders generally are not liable for our debts or obligations.

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless declared advisable by the board of directors and approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter does not provide for a lesser percentage in these situations.

2) Depositary Shares Each Representing a 1/40th Interest in a Share of 4.500% Series H Non-Cumulative, Perpetual Preferred Stock, par value \$0.01 per share

Description of Series H Preferred Stock

The Series H Preferred Stock ranks, with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up, (1) on a parity with (i) our Series I Preferred Stock and (ii) each class or series of preferred stock we may issue in the future the terms of which expressly provide that such class or series will rank on a parity with the Series H Preferred Stock as to dividend rights and rights on our liquidation, winding up and dissolution of Huntington and (2) senior to our common stock and each other class or series of stock we may issue in the future the terms of which expressly provide that it ranks junior to the Series H Preferred Stock as to dividend rights and rights on our liquidation, winding-up and dissolution.

The Series H Preferred Stock does not entitle the holder to any preemptive or conversion rights.

Dividends on the Series H Preferred Stock are payable quarterly in arrears, when, as and if authorized by our board of directors and declared by us out of legally available funds, on a non-cumulative basis on the \$25,000 per share liquidation preference, at an annual rate equal to 4.500%.

The Series H Preferred Stock is redeemable, in whole or in part, from time to time, at our option on or after April 15, 2026, at a redemption price equal to the liquidation preference, plus any declared and unpaid dividends, without regard to any undeclared dividends. The holders of the Series H Preferred Stock do not have the right to require the redemption or repurchase of the Series H Preferred Stock. The Series H Preferred Stock is also redeemable, in whole but not in part, within 90 days following a regulatory capital treatment event (as defined in our charter) and subject to the prior approval of the Federal Reserve, or other appropriate federal banking agency, at a redemption price equal to the liquidation preference, plus any declared and unpaid dividends, without regard to any undeclared dividends.

Except as indicated below, the holders of the Series H Preferred Stock do not have any voting rights:

- If and when the dividends on the Series H Preferred Stock or on any other class or series of our preferred stock ranking on a parity with the Series H Preferred Stock that has voting rights equivalent to those of the Series H Preferred Stock that are conferred and are exercisable, have not been paid for at least six quarterly dividend periods or more (whether or not consecutive), the holders of the Series H Preferred Stock, together with the holders of all other affected classes and series of preferred stock ranking on a parity with the Series H Preferred Stock, voting as a single class, will be entitled to elect two additional members of our board of directors.
- So long as any shares of the Series H Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by our charter, the vote or consent of the holders of at least two-thirds of the outstanding shares of the Series H Preferred Stock, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating certain charter amendments and certain mergers and consolidations.

Description of Depositary Shares of Series H Preferred Stock

General

The depositary shares represent proportional fractional interests in shares of the Series H Preferred Stock. Each depositary share represents a 1/40th interest in a share of the Series H Preferred Stock and is evidenced by depositary receipts. We have deposited the underlying shares of the Series H Preferred Stock with Computershare Inc. and Computershare Trust Company, N.A., jointly acting as depositary. The holders of depositary shares from time to time are deemed to be parties to the deposit agreement and are bound by all of the terms and conditions thereto by their acceptance of delivery of the depositary shares to the same extent as though they had executed the deposit agreement. Subject to the terms of the deposit agreement, each holder of the depositary shares is entitled, through the depositary, to all the rights and preferences of the Series H Preferred Stock, as applicable, in proportion to the applicable fraction of a share of the Series H Preferred Stock those depositary shares represent.

Dividends and Other Distributions

Each dividend payable on a depositary share is in an amount equal to 1/40th of the dividend declared and payable on the related share of the Series H Preferred Stock.

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series H Preferred Stock to the record holders of depositary shares relating to the underlying Series H Preferred Stock in proportion to the number of depositary shares held by the holders. If we make a distribution other than in cash, the depositary will distribute any securities or property received by it to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that (after consultation with us) it is not feasible to make a distribution, in which case the depositary may, with our approval, adopt a method of distribution that it deems equitable and practicable, including the sale of the securities or property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares are the same as the corresponding record dates for the Series H Preferred Stock.

The amounts distributed to holders of depositary shares are reduced by any amounts required to be withheld by us or the depositary on account of taxes or other governmental charges. The depositary may refuse to make any payment or distribution, or any transfer, exchange, or withdrawal of any depositary shares or the shares of the Series H Preferred Stock until such taxes or other governmental charges are paid.

Redemption of Depositary Shares

If we redeem the Series H Preferred Stock represented by the depositary shares, in whole or in part, the depositary shares will be redeemed with the proceeds received by the depositary resulting from the redemption of the Series H Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/40th of the redemption price per share payable with respect to the Series H Preferred Stock, plus any declared and unpaid dividends, without accumulation of undeclared dividends, except in the case of a redemption pursuant to a regulatory capital treatment event (as defined in our charter).

Whenever we redeem shares of the Series H Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing those shares of the Series H Preferred Stock so redeemed. If fewer than all of the outstanding depositary shares are redeemed, the depositary will select the shares to be redeemed pro rata or by lot. The depositary will mail notice of redemption to record holders of the depositary shares not less than 30 and not more than 60 days prior to the date fixed for redemption of the Series H Preferred Stock and the related depositary shares.

Voting the Series H Preferred Stock

Because each depositary share represents a 1/40th interest in a share of the Series H Preferred Stock, holders of depositary shares will be entitled to 1/40th of a vote per depositary share under those limited circumstances in which holders of the Series H Preferred Stock are entitled to a vote.

When the depositary receives notice of any meeting at which the holders of the Series H Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series H Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series H Preferred Stock, may instruct the depositary to vote the amount of the Series H Preferred Stock represented by the holder's depositary shares. Insofar as practicable, the depositary will vote the amount of the Series H Preferred Stock represented by depositary shares in accordance with the instructions it receives. We will take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing proportional interests in the Series H Preferred Stock, it will not vote the amount of the Series H Preferred Stock represented by such depositary shares.

Form

The depositary shares were issued in book-entry form through DTC. The Series H Preferred Stock was issued in registered form to the depositary.

Preemptive and Conversion Rights

The holders of the depositary shares do not have any preemptive or conversion rights.

Depository, Registrar

Computershare Inc. and Computershare Trust Company, N.A., are jointly acting as depository for the depository shares, and Computershare Trust Company, N.A. is acting as registrar, dividend disbursing agent and redemption agent.

3) Description of Depository Shares Each Representing a 1/1,000th Interest in a Share of 5.70% Series I Non-Cumulative, Perpetual Preferred Stock, par value \$0.01 per share

Description of Series I Preferred Stock

The Series I Preferred Stock ranks, with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up, (1) on a parity with (i) our Series H Preferred Stock and (ii) each class or series of preferred stock we may issue in the future the terms of which expressly provide that such class or series will rank on a parity with the Series I Preferred Stock as to dividend rights and rights on our liquidation, winding up and dissolution of Huntington and (2) senior to our common stock and each other class or series of preferred stock we may issue in the future the terms of which do not expressly provide that it ranks on a parity with or senior to the Series I Preferred Stock as to dividend rights and rights on our liquidation, winding-up and dissolution.

The Series I Preferred Stock does not entitle the holder to any preemptive or conversion rights.

Dividends on the Series I Preferred Stock are payable quarterly in arrears, when, as and if authorized by our board of directors and declared by us out of legally available funds, on a non-cumulative basis on the \$25,000 per share liquidation preference, at an annual rate equal to 5.70%.

The Series I Preferred Stock is redeemable, in whole or in part, from time to time, at our option on any dividend payment date on or after December 1, 2022, at a redemption price equal to the liquidation preference, plus any declared and unpaid dividends. The holders of the Series I Preferred Stock do not have the right to require the redemption or repurchase of the Series I Preferred Stock. The Series I Preferred Stock is also redeemable, in whole but not in part, within 90 days following a regulatory capital treatment event (as defined in our charter) at a redemption price equal to the liquidation preference, plus the sum of (i) any authorized, declared and unpaid dividends from the prior dividend period and (ii) the pro-rated portion of dividends, whether or not declared, for the dividend period in which such redemption occurs. Redemption or repurchase of Series I Preferred Stock is subject to receipt of prior approval of the Federal Reserve or other appropriate federal banking agency.

Except as indicated below, the holders of the Series I Preferred Stock do not have any voting rights:

- If and when the dividends on the Series I Preferred Stock or on any other class or series of our preferred stock ranking on a parity with the Series I Preferred Stock that has voting rights equivalent to those of the Series I Preferred Stock, have not been authorized, declared and paid (i) in the case of the Series I Preferred Stock and any class or series of our preferred stock ranking on a parity with the Series I Preferred Stock and bearing non-cumulative dividends, in full for at least six quarterly dividend periods or their equivalent (whether or not consecutive), or (ii) in the case of any class or series of our preferred stock ranking on a parity with the Series I Preferred Stock and bearing cumulative dividends, in an aggregate amount equal to full dividends for at least six quarterly dividend periods or their equivalent (whether or not consecutive), the holders of the Series I Preferred Stock, together with the holders of all other affected classes and series of preferred stock ranking on a parity with the Series I Preferred Stock, voting as a single class, with each series or class having a number of votes proportionate to the aggregate liquidation preference of the outstanding shares of such class or series, will be entitled to elect two additional members of our board of directors.
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•So long as any shares of the Series I Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by our charter, the vote or consent of the holders of at least two-thirds of the outstanding shares of the Series I Preferred Stock and any class or series of preferred stock then outstanding that ranks on a parity with the Series I Preferred Stock and has similar rights, voting together as a single class, with each series or class having a number of votes proportionate to the aggregate liquidation preference of the outstanding shares of such class or series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating certain charter amendments and certain mergers and consolidations.

Description of Depositary Shares of Series I Preferred Stock

General

The depositary shares represent proportional fractional interests in shares of the Series I Preferred Stock. Each depositary share represents a 1/1000th interest in a share of our Series I Preferred Stock, and is evidenced by depositary receipts. We have deposited the underlying shares of the Series I Preferred Stock with a depositary pursuant to a deposit agreement among us, Computershare Inc. and Computershare Trust Company, N.A., jointly acting as depositary. The holders of depositary shares from time to time are deemed to be parties to the deposit agreement and are bound by all of the terms and conditions thereto by their acceptance of delivery of the depositary shares to the same extent as though they had executed the deposit agreement. Subject to the terms of the deposit agreement, each holder of the depositary shares is entitled, through the depositary, to all the rights and preferences of the Series I Preferred Stock, as applicable, in proportion to the applicable fraction of a share of Series I Preferred Stock those depositary shares represent.

In this summary, references to “holders” of depositary shares mean those who own depositary shares registered in their own names on the books maintained by the depositary and not indirect holders who own beneficial interests in depositary shares registered in the street name, or issued in book-entry form through DTC.

Dividends and Other Distributions

Each dividend payable on a depositary share is in an amount equal to 1/1000th of the dividend declared and payable on the related share of the Series I Preferred Stock.

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series I Preferred Stock to the record holders of depositary shares relating to the underlying Series I Preferred Stock in proportion to the number of depositary shares held by the holders. If we make a distribution other than in cash, the depositary will distribute any securities or property received by it to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that (after consultation with us) it is not feasible to make a distribution, in which case the depositary may, with our approval, adopt a method of distribution that it deems equitable and practicable, including the sale of the securities or property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares are the same as the corresponding record dates for the Series I Preferred Stock.

The amounts distributed to holders of depositary shares are reduced by any amounts required to be withheld by us or the depositary on account of taxes or other governmental charges. The depositary may refuse to make any payment or distribution, or any transfer, exchange, or withdrawal of any depositary shares or the shares of the Series I Preferred Stock until such taxes or other governmental charges are paid.

Redemption of Depositary Shares

If we redeem the Series I Preferred Stock represented by the depositary shares, in whole or in part, the depositary shares will be redeemed with the proceeds received by the depositary resulting from the redemption of the Series I Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1000th of the redemption price per share payable with respect to the Series I Preferred Stock plus any declared and unpaid dividends, without accumulation of undeclared dividends, except in the case of a redemption pursuant to a regulatory capital treatment event (as defined in our charter).

Whenever we redeem shares of the Series I Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing those shares of the Series I Preferred Stock so redeemed. If fewer than all of the outstanding depositary shares are redeemed, the depositary will select the shares to be redeemed pro rata or by lot. The depositary will mail notice of redemption to record holders of the depositary receipts not less than 30 and not more than 60 days prior to the date fixed for redemption of the Series I Preferred Stock and the related depositary shares.

Voting the Series I Preferred Stock

Because each depositary share represents a 1/1000th interest in a share of the Series I Preferred Stock, holders of depositary receipts will be entitled to 1/1000th of a vote per depositary share under those limited circumstances in which holders of the Series I Preferred Stock are entitled to a vote.

When the depositary receives notice of any meeting at which the holders of the Series I Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series I Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series I Preferred Stock, may instruct the depositary to vote the amount of the Series I Preferred Stock represented by the holder's depositary shares. Insofar as practicable, the depositary will vote the amount of the Series I Preferred Stock represented by depositary shares in accordance with the instructions it receives. We will take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing proportional interests in the Series I Preferred Stock, it will not vote the amount of the Series I Preferred Stock represented by such depositary shares.

Form and Notices

The Series I Preferred Stock is issued in registered form to the depositary, and the depositary shares will be issued in book-entry form through DTC. The depositary will forward to the holders of depositary shares all reports, notices, and communications from us that are delivered to the depositary and that we are required to furnish to the holders of the Series I Preferred Stock.

Preemptive and Conversion Rights

The holders of the depositary shares and the Series I Preferred Stock do not have any preemptive or conversion rights.

Depositary, Dividend Disbursing Agent, Registrar and Redemption Agent

Computershare Inc. and Computershare Trust Company, N.A. will be the depositary, and Computershare Trust Company, N.A. will be the dividend disbursing agent, registrar and redemption agent for the depositary shares.

Certain Provisions That May Have an Anti-Takeover Effect

Some of the provisions of Maryland law and our charter and bylaws discussed below could make it more difficult for a third party to acquire us.

We are subject to the Maryland Business Combination Act, which provides that certain business combinations between a Maryland corporation and any interested stockholder (generally any beneficial holder, directly or indirectly, of 10% or more of the voting power of the corporation's outstanding stock) or its affiliates are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. After such five-year period, any such business combination is subject to two different supermajority vote requirements. We are also subject to the Maryland Control Share Acquisition Act, which provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights with respect to their control shares except to the extent approved by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors, generally, excluding certain shares of stock. Control shares are voting shares of stock that, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within three ranges of voting power, beginning with one-tenth or more.

In addition, the Maryland General Corporation Law permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to adopt certain takeover defenses without any action by the stockholders of the corporation. We have elected through this provision to require that all vacancies on our board of directors be filled only by the remaining directors, even if such remaining directors do not constitute a quorum. In the future, our board of directors may elect, without stockholder approval, to adopt certain other takeover defenses, including the classification of the board of directors.

Our charter permits our board of directors to authorize, without stockholder approval, the issuance of serial preferred stock from time to time in one or more series with such preferences, conversion or other rights, voting powers, restrictions, limitations as to the dividends, qualifications, terms or conditions of redemption or other rights as permitted by our charter.

Our bylaws provide that a stockholder may nominate individuals for election to our board of directors and propose other business to be considered at an annual or special meeting of stockholders only if such stockholder gives timely notice to our Secretary and complies with the other advance notice procedures, including the provision of specified information, as set forth in our bylaws.

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless declared advisable by the board of directors and approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter. However, a Maryland corporation may provide for in its charter approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter does not provide for a lesser percentage in these situations.

HUNTINGTON BANCSHARES INCORPORATED AMENDED AND RESTATED 2018 LONG-TERM INCENTIVE PLAN

Article 1. Establishment, Effective Date, and Term

- 1.1 ESTABLISHMENT OF THE PLAN.** Huntington Bancshares Incorporated, a Maryland corporation, previously established the Huntington Bancshares Incorporated 2018 Long-Term Incentive Plan (the "Prior Plan"), that became effective upon shareholder approval at the 2018 annual meeting. The Prior Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Deferred Stock Units, and Long-Term Performance Awards and other incentive Awards. The Corporation desires to amend and restate the Plan to provide for an additional number of Shares to be available for the grant of Awards and to clarify certain other administrative items.
- 1.2 EFFECTIVE DATE.** This amendment and restatement of the Prior Plan (such restatement hereinafter referred to as the "Plan"), if approved by the majority of votes cast by the Corporation's shareholders at the 2021 annual meeting shall become effective on the date of approval by the shareholders at the 2021 annual meeting with respect to Awards granted on or after such date (the "Effective Date"). If so approved by the majority of votes cast by the Corporation's shareholders, the Plan shall continue to serve as the successor to the Prior Plan; provided however, that all Awards under the Prior Plan and any other predecessor plan outstanding on the Effective Date shall continue in full force and effect in accordance with their terms, and no provision of this Plan shall be deemed to affect or otherwise modify the rights or obligations of the holders of those Prior Plan or other predecessor plan Awards with respect to their acquisition of Shares thereunder. The Plan shall remain in effect as provided in Article 1.4 herein. No Awards will be made under the Plan unless shareholder approval is obtained. Instead, Awards will be granted under the terms of the Prior Plan.
- 1.3 OBJECTIVES OF THE PLAN.** The objectives of the Plan are to help optimize the profitability and growth of the Corporation through stock-based incentives which are consistent with the Corporation's objectives and which link the interests of Participants to those of the Corporation's shareholders; to induce Participants to strive for the highest level of performance; and to promote teamwork among Participants. The Plan is further intended to provide flexibility to the Corporation in its ability to motivate, attract, and retain the services of Participants who make significant contributions to the Corporation's success and the creation of shareholder value and to allow Participants to share in the success of the Corporation.
- 1.4 DURATION OF THE PLAN.** The Plan shall commence on the Effective Date, as described in Article 1.2 herein, and shall remain in effect, subject to the right of the Board of Directors ("Board"), or a Committee delegated by the Board, to amend or terminate the Plan at any time pursuant to Article 18 herein. However, in no event may an Award be granted under the Plan on or after December 31, 2030.

Article 2. Definitions of Terms

As used in the Plan, the following words shall have the meanings stated after them, unless otherwise specifically provided. In the Plan, words used in the singular shall include the plural, and words used in the plural shall include the singular. The gender of words used in this Plan shall include whatever may be appropriate under any particular circumstances.

- 2.1** **“AWARD”** means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Deferred Stock Units, Long-Term Performance Awards, or other incentive Awards described in Section 10.7 of the Plan.
- 2.2** **“AWARD AGREEMENT”** means a written or electronic statement or agreement prepared by the Corporation setting forth the terms and provisions applicable to Awards granted under this Plan.
- 2.3** **“BENEFICIAL OWNER”** shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.
- 2.4** **“BOARD” OR “BOARD OF DIRECTORS”** means the Board of Directors of Huntington Bancshares Incorporated.
- 2.5** **“CAUSE”** unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant’s Award Agreement, shall be as defined in any employment agreement between the Corporation and a Participant; provided however, that if there is no such employment agreement, “Cause” means any of the following:
- a. The Participant shall have been charged with a felony or committed an intentional act of gross misconduct, moral turpitude, fraud, embezzlement, theft, dishonesty, misappropriation, or criminal conduct, and the Corporation shall have determined that such act is materially harmful to the Corporation;
 - b. Any federal or state governmental or regulatory body having regulatory authority over the business of the Corporation (i) entered an order against the Participant, or (ii) ordered or directed the Corporation to terminate or suspend the Participant’s employment; or
 - c. After being notified in writing by the Corporation to cease any particular activity, the Participant shall have continued such activity and the Corporation shall have determined that such act is materially harmful to the Corporation; or
 - d. The Participant has acted during the course of (i) the Participant’s employment or (ii) the Participant’s separation of employment in a manner that the Corporation, as determined pursuant to its policies and procedures, this Plan, an Award Agreement, and/or any other written agreement between the Participant and the Corporation, has deemed not to be in the best interest of the Corporation and/or in furtherance of the colleague’s job responsibilities.
- 2.6** **“CHANGE IN CONTROL”** means, with respect to the Corporation, the occurrence of any of the following:
- a. Any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (“the Exchange Act”) as in effect as of the date of this Plan) becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation’s then-outstanding securities entitled to vote generally in the election of directors (“voting securities”); provided, however, that, for purposes of this Section 2.6, the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Corporation, (ii) any acquisition by the Corporation, or (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation of any of its Subsidiaries;
 - b. Individuals who, as of the Effective Date, constitute the Board of Directors of the Corporation (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that, any individual becoming a director subsequent to the date hereof whose election, or nomination for election, was approved by a vote of at least a majority of the directors comprising the Incumbent Board shall be considered as though such individual were a member of the
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Incumbent Board, but excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

- c. The consummation of a merger, statutory share exchange, consolidation or similar corporate transaction involving the Corporation, other than any such transaction in which the voting securities of the Corporation immediately prior to the transaction continue to represent (either by remaining outstanding or being converted into securities of the “surviving entity,” which for purposes of this Agreement shall include the corporation or other entity resulting from such transaction and/or the corporation or other entity that, as a result of the transaction, owns the Corporation or all or substantially all of the Corporation’s assets, either directly or indirectly) more than 50% of the combined voting power of the Corporation or surviving entity resulting from such transaction immediately after the transaction with another entity;
- d. consummation of a sale, exchange, lease, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Corporation which shall include, without limitation, the sale of assets or earning power aggregating more than 50% of the assets or earning power of the Corporation on a consolidated basis, other than any such transaction in which a majority of the voting securities of the surviving entity are, immediately following consummation of such transaction, beneficially owned by the individuals and entities that were the beneficial owners of the Corporation’s voting securities immediately prior to the transaction;
- e. The consummation of a liquidation or dissolution of the Corporation;
- f. The consummation of a reorganization, reverse stock split, or recapitalization of the Corporation which would result in any of the foregoing; or
- g. The consummation of a transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

Notwithstanding the foregoing, if the payment of any Award may be considered “deferred compensation” under Code Section 409A, and the payment of such Award is triggered by a Change in Control, the events described above shall not constitute a Change in Control unless they constitute a change in ownership or effective control of the Corporation, or a change in the ownership of a substantial portion of the assets of the Corporation, as described under Code Section 409A; or in the case of a liquidation or dissolution of the Corporation, such liquidation or dissolution complies with the procedures set forth in Treasury Regulation Section 1.409A-3(j)(4)(ix)(A).

2.7 “**CODE**” means the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

2.8 “**COMMITTEE**” means the Compensation Committee of the Board, as specified in Article 3 herein, or such other committee appointed by the Board to administer the Plan.

2.9 “**CONSULTANT**” means any consultant, agent, advisor, or independent contractor who renders services to the Corporation or one of its affiliates.

2.10 “**CORPORATION**” means Huntington Bancshares Incorporated, a Maryland corporation, together with any and all Subsidiaries, and any successor thereto as provided in Article 22 herein.

2.11 “**RESERVED**”

2.12 “**DEFERRAL PERIOD**” means the period of time during which a Deferred Stock Unit is subject to deferral limitations under Article 10 herein.

- 2.13** “**DEFERRED STOCK UNIT**” means an Award granted to a Participant pursuant to Article 10 herein of the right to receive Shares, or, if provided by the Committee, an alternative form of payment, at the end of a specified Deferral Period.
- 2.14** “**DIRECTOR**” means any individual who is a member of the Board of Directors of Huntington Bancshares Incorporated.
- 2.15** “**DIRECTOR DEFERRED COMPENSATION PLAN**” means the Huntington Bancshares Incorporated Director Deferred Compensation Plan, effective January 1, 2017, including any amendments thereto or any successor thereof.
- 2.16** “**DISABILITY**” or “**DISABLED**” unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant’s Award Agreement, shall be as defined in any employment agreement between the Corporation and a Participant; provided however, that if there is no such employment agreement, “Disability” or “Disabled” shall be defined in the same manner as under the Corporation’s long-term disability plan.
- 2.17** “**DODD-FRANK ACT**” means the Dodd-Frank Wall Street Reform and Consumer Protection Act and any guidance thereunder.
- 2.18** “**EFFECTIVE DATE**” shall have the meaning ascribed to such term in Article 1.2 herein.
- 2.19** “**EMPLOYEE**” means any employee of the Corporation. Directors who are not employed by the Corporation shall not be considered Employees under this Plan.
- 2.20** “**EXCHANGE ACT**” means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.
- 2.21** “**EXECUTIVE DEFERRED COMPENSATION PLAN**” means the Huntington Bancshares Incorporated Executive Deferred Compensation Plan, effective January 1, 2012, including any amendments thereto or any successor thereof.
- 2.22** “**EXTRAORDINARY EVENTS**” means, with respect to the Corporation, any of the following: (i) changes in tax law, generally accepted accounting principles or other such laws or provisions affecting reported financial results, including unforeseen and extraordinary changes in statutes and regulations that govern the Corporation and its industry; (ii) accruals or charges relating to reorganization and restructuring programs; (iii) special gains, losses, or other financial impact in connection with the mergers and acquisitions involving the Corporation or any of its significant subsidiaries, the purchase or sale of branches or significant portions of the Corporation or any of its significant subsidiaries, or the sale of securities and investments of the Corporation; (iv) write-downs or write-offs of assets, including intangible assets such as goodwill and mortgage servicing rights (MSR) and valuation adjustments related to the impact of hedging (including MSR hedging); (v) litigation or claim matters; (vi) expenses relating to unplanned regulatory actions; (vii) any other significant item as discussed in management’s discussion and analysis of financial condition and results of operation appearing or incorporated by reference in the annual report on Form 10-K filed with the Securities and Exchange Commission; (viii) gains and losses on the early repayment of debt; or (ix) any other unforeseen events or occurrences of a similar nature as set forth by the Committee.
- 2.23** “**FAIR MARKET VALUE**” shall be, on any given date, (1) the closing price at which the Shares were quoted on the NASDAQ Stock Market or such other established securities market on which the Shares are listed, or, if there were no reported sales of Shares on such date, then, unless otherwise required under Code Section 422, the business day immediately preceding such date; or (2) if the Shares are not listed for trading on a national exchange or if (1) above does not apply the price that the Committee in good faith determines through any reasonable valuation method that a Share might change hands between a willing buyer and a willing seller, neither being under compulsion to buy
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or to sell and both having reasonable knowledge of the relevant facts. Notwithstanding the above, for purposes of broker-facilitated cashless exercises of Awards involving Shares under the Plan, "Fair Market Value" shall mean the real-time selling price of such Shares as reported by the broker facilitating such exercises.

- 2.24 "INCENTIVE STOCK OPTION" OR "ISO"** means an option to purchase Shares granted under Article 6 herein and which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422.
- 2.25 "INSIDER"** shall mean any person subject to the reporting requirements of Section 16 of the Exchange Act.
- 2.26 "LONG-TERM PERFORMANCE AWARD"** means an Award to a Participant pursuant to Article 11 herein.
- 2.27 "NONEMPLOYEE DIRECTOR"** means an individual who is a member of the Board but who is not an Employee.
- 2.28 "NONQUALIFIED STOCK OPTION" OR "NQSO"** means an option to purchase Shares granted under Article 6 herein and which is not intended to meet the requirements of Code Section 422.
- 2.29 "OPTION"** means an Incentive Stock Option, or a Nonqualified Stock Option granted to a Participant pursuant to Article 6 herein.
- 2.30 "OPTION PRICE"** means the price at which a Share may be purchased by a Participant pursuant to an Option.
- 2.31 "PARTICIPANT"** means an Employee, Director, or Consultant, provided however, that Nonemployee Directors and Consultants may not be Participants in any ISO granted under the Plan.
- 2.32 "PERFORMANCE CYCLE"** shall mean the period that is no less than one year designated by the Committee during which the performance objectives or goals must be met for Awards granted under the Plan.
- 2.33 "PERIOD OF RESTRICTION"** means the period during which the transfer of Shares of Restricted Stock or Restricted Stock Units is limited in some way, which may be the achievement of performance objectives or the passage of time, or both, such that the Shares or RSUs are subject to a substantial risk of forfeiture. A restriction based on the passage of time shall have a minimum one (1) year restriction period and shall not fully lapse until the date that is three (3) years after the date of grant except as otherwise may be provided in the Award Agreement for (a) Retirement, (b) involuntary terminations of employment without Cause, (c) death, or (d) Disability. Notwithstanding the foregoing, the Committee may provide for the grant of Awards with a time-based Period of Restriction shorter than mandated with respect to Awards representing no more than 5% of Shares available for grants (and subject to adjustment) under Article 4 of this Plan in such other circumstances that the Committee determines are in the best interests of the Corporation.
- 2.34 "PERSON"** shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as described in Section 13(d) thereof.
- 2.35 "PRIOR PLAN"** shall mean the Huntington Bancshares Incorporated 2018 Long-Term Incentive Plan which originally became effective on the date of the 2018 annual meeting of the Corporation's shareholders.
- 2.36 "QUALIFYING PERFORMANCE CRITERIA"** means any one or more of the following performance criteria upon which the achievement of specific, pre-established, performance goals for each Participant are based as determined by the Committee in connection with the grant and certification of Awards:
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- a. revenue and income measures (which include sales, revenues, net income, earnings per share, non-interest income to total revenue ratio, non-interest income growth, interest income, net operating profit, interest income, pretax pre-provision (pretax income on a tax equivalent basis adjusted for provision expense, security gains and losses, and amortization of intangibles), adjusted net income after capital charges, economic value added, and earnings before interest, taxes, depreciation and amortization);
- b. expense and efficiency measures (which include "efficiency ratio" (the ratio of total non-interest operating expenses (less amortization of intangibles) divided by total revenues (less net security gains)), net interest margin, gross margins, operating margins, net-income margins, non-interest expense, operating efficiencies);
- c. operating measures (which include productivity ratios, loan growth, deposit growth, customer profitability, and market share);
- d. return measures (which include return on average equity, tangible common equity or return on tangible common equity, return on average assets, return on capital (actual or targeted), share price, share price growth, and total shareholder return);
- e. credit quality measures (which include non-performing asset ratio, net charge-off ratio, and reserve coverage of non-performing loans);
- f. leverage measures (which include debt-to-equity ratio and net debt);
- g. risk measures (which include interest-sensitivity gap levels, regulatory compliance, satisfactory audit results, maintenance of required common equity levels (including common equity tier 1 levels), and financial ratings);
- h. achievement of balance sheet, income statement, or cash-flow statement objectives;
- i. achievement of strategic objectives, goals, or milestones (which include customer satisfaction and employee satisfaction survey results);
- j. technology or innovation goals or objectives;
- k. consummation of acquisitions, dispositions, projects or other specific events or transactions;
- l. acquisition integration or disposition management goals or objectives;
- m. product, customer or market-related objectives (including product revenues, revenue mix, product growth, customer growth, number or type of customer relationships, customer satisfaction, cross-selling goals, associate satisfaction, market share, branding); and
- n. any other goals established by the Committee.

Qualifying Performance Criteria may be expressed in terms of (i) attaining a specified absolute level of the criteria, or (ii) a percentage increase or decrease in the criteria compared to a pre-established target, previous years' results, or a designated market index or comparison group, all as determined by the Committee. Qualifying Performance Criteria also may be expressed in the form of a "multiplier" that may be a number or percentage that is to be multiplied by the amount otherwise payable under an Award in order to calculate the total amount payable under an Award. The value of such multiplier will be determined by satisfaction of performance goals related to the Qualifying Performance Criteria. The Qualifying Performance Criteria may be measured on an absolute basis or relative to an established target, to previous year or other comparable period or periods' results, to a designated comparison group or groups, or to one or more designated external or internal indices or benchmarks, and may be applied either to the

Corporation as a whole or to a business unit or subsidiary, in each case as determined by the Committee. Any specific metrics listed within the categories described above are intended to be illustrative and are not intended to be construed as limitations on the more general metrics. Qualifying Performance Criteria may be different for different Participants, as determined in the discretion of the Committee. The Committee may include or exclude Extraordinary Events or any other events or occurrences in establishing the performance goal based on the Qualifying Performance Criteria and may use any Extraordinary Event in determining whether the performance goal has been achieved.

- 2.37** **“RESTRICTED STOCK”** means an Award granted to a Participant pursuant to Article 7 herein.
- 2.38** **“RESTRICTED STOCK UNIT” OR “RSU”** means an Award granted to a Participant pursuant to Article 8 herein and which is settled (i) by the delivery of one (1) Share for each RSU, (ii) in cash in an amount equal to the Fair Market Value of one (1) Share for each RSU, or (iii) in a combination of cash and Shares, as determined by the Committee. The Award of an RSU represents the promise of the Corporation to deliver Shares, cash, or a combination thereof, as applicable, at the end of the Period of Restriction (or such later date as determined by the Committee) in accordance with and subject to the terms and conditions of the applicable Award Agreement, and is not intended to constitute a transfer of property within the meaning of Code Section 83(b).
- 2.39** **“RETIREMENT”** with respect to an Award shall have the meaning set forth in the Participant’s Award Agreement, unless it is otherwise defined in any other agreement between the Corporation and a Participant.
- 2.40** **“SHARES”** means the shares of common stock of the Corporation.
- 2.41** **“STOCK APPRECIATION RIGHT” OR “SAR”** means an Award, granted alone or in connection with a related Option, designated as a SAR, pursuant to Article 9 herein.
- 2.42** **“SUBSIDIARY or “SUBSIDIARIES”** means any corporation or other entity whose financial statements are consolidated with the Corporation, or any corporation or other entity that would otherwise satisfy the definition of “service recipient” under Code Section 409A. With respect to Incentive Stock Options, the term Subsidiary or Subsidiaries shall include only those entities that qualify under Code Section 424(f) as a “subsidiary corporation” of the Corporation.

Article 3. Administration

- 3.1** **AUTHORITY OF THE COMMITTEE.** The Plan shall be administered by the Committee, except as limited by law or by the Charter or Bylaws of the Corporation. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have full power to:
- a. select the Participants who shall participate in the Plan;
 - b. determine the sizes and types of Awards;
 - c. determine the terms and conditions of Awards (which need not be consistent among Participants) in a manner consistent with the Plan, including, without limitation, (i) the exercise or purchase price of Shares pursuant to any Award, (ii) the Fair Market Value of Shares or other property where applicable, (iii) the method of payment for Shares purchased pursuant to any Award, (iv) the method for satisfaction of any tax withholding obligation arising in connection with an Award, including the withholding or delivery of Shares, (v) the timing, terms and conditions of the exercisability or vesting of any Award or any Shares acquired pursuant thereto, including how such terms relate to a Change in Control, (vi) the time of the expiration of any Award, (vii)
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the effect of a Participant's termination of service on any of the foregoing, and (viii) all other terms, conditions, and restrictions applicable to any Award or Shares acquired pursuant thereto consistent with the terms of the Plan;

- d. delegate authority to the Corporation's Chief Executive Officer and to the Chief Human Resources Officer to grant Awards under the Plan to any Participant other than (i) an executive who is subject to Section 16 of the Exchange Act, (ii) anyone who is an Executive Leadership Team Member of the Corporation, or (iii) a Director.
- e. construe and interpret the Plan and any agreement or instrument entered into under the Plan as they apply to Participants;
- f. establish, amend, or waive rules and regulations for the Plan's administration as they apply to Participants;
- g. require, whether or not provided for in the pertinent Award Agreement, of any Participant, the making of any representations or agreements that the Committee may deem necessary or advisable in order to comply with, or qualify for advantageous treatment under, applicable securities, tax, or other laws; and
- h. (subject to the provisions of Article 18 herein) amend the terms and conditions of any outstanding Award to the extent such terms and conditions are within the discretion of the Committee as provided in the Plan.

The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the committee may delegate its authority as identified herein.

- 3.2 DECISIONS BINDING.** All determinations and decisions made by the Committee pursuant to the provisions of the Plan and all related orders and resolutions of the Board shall be final, conclusive, and binding on all persons, including the Corporation, its shareholders, Employees, Participants, and their estates and beneficiaries.

Article 4. Shares Subject to The Plan and Maximum Awards

- 4.1 NUMBER OF SHARES AVAILABLE FOR GRANTS AND MAXIMUM AWARDS.** When first approved by shareholders, the Prior Plan reserved for issuance a maximum aggregate number of Shares equal to the sum of (i) 25 million (25,000,000) Shares plus (ii) the number of Shares authorized but not issued or subject to awards under the previous plan. Subject to adjustment as provided in this Article 4 herein, the maximum aggregate number of Shares hereby reserved for issuance to Participants under the Plan shall be no more than the sum of (i) thirty million (30,000,000), plus (ii) the number of Shares that are authorized, but not issued or subject to outstanding Awards under the Prior Plan as of the Effective Date. As of December 31, 2020, there were approximately 4.9 million (4,900,000) shares that were authorized, but not issued or subject to outstanding Awards under the Prior Plan. The Shares issued under the Plan may be authorized and unissued Shares or Shares purchased on the open market.

The following rules shall apply to grants of Awards under the Plan:

- a. The maximum aggregate number of Shares which may be subject to (1) one or more Option Awards pursuant to Article 6, (2) one or more SAR Awards (whether settled in cash, Shares, or a combination thereof) pursuant to Article 9, or (3) any combination of Option Awards or SAR Awards to a Participant shall be ten million (10,000,000) Shares over any five (5) year period.
 - b. The maximum aggregate cash Award or cash equivalent value of an Award of Shares at the date of grant that may be paid with respect to any specified
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Performance Cycle to a Participant pursuant to any Long-Term Performance Award pursuant to Article 11 shall be twelve million dollars (\$12,000,000).

- c. The maximum aggregate cash equivalent value at the date of grant of (1) Awards of Restricted Stock pursuant to Article 7, (2) Awards of RSUs pursuant to Article 8 (whether settled in cash, Shares, or a combination thereof, whether vesting of the RSUs is time-based, performance-based, or a combination thereof), (3) Awards of Deferred Stock Units under Article 10, or (4) any combination thereof that may be awarded to a Participant for any calendar year shall be twelve million dollars (\$12,000,000).
- d. Notwithstanding the foregoing, the maximum aggregate cash equivalent value at the date of grant of Awards granted to Nonemployee Directors during the term of this Plan shall be \$10,000,000.
- e. The limitations set forth above shall apply only with respect to Awards granted under this Plan, and limitations on awards granted under any other incentive plan maintained by the Corporation shall be governed solely by the terms of such other plan.

4.2 REDUCTION OF SHARES AND LAPSED AWARDS. The maximum number of Shares available for issuance under the Plan shall be reduced by the full number of Shares covered by Option Awards and SAR Awards granted under the Plan. This reduction shall include the full number of Shares covered by any Option or SAR, regardless of whether (1) any Shares are tendered in payment of any Option or SAR, (2) any such Option, SAR, or other Award covering Shares under the Plan ultimately is settled in cash or by delivery of Shares (either by share netting, an attestation process, or actual delivery), (3) Shares were used to satisfy the purchase price of an Award or to satisfy any tax withholdings, or (4) Shares were repurchased by the Company with Option or SAR proceeds. The maximum number of Shares available for issuance under the Plan shall be reduced by one (1) Share for every Share covered by all other Awards granted under the Plan. If, however, any Award granted under this Plan terminates, expires, is forfeited because any performance or time-based vesting requirements were not satisfied, or lapses for any reason, any Shares subject to such Award shall again be available for a grant of an Award under the Plan. For the avoidance of doubt, Awards payable and settled solely in cash shall not reduce the number of Shares available for Awards under the Plan.

4.3 ADJUSTMENTS IN AUTHORIZED SHARES. In the event that any dividend (other than normal cash dividends) or other distribution (whether in the form of cash, Shares, other securities or other property), stock split or a combination or consolidation of the outstanding Shares is declared with respect to the Shares, the authorized number of Shares that may be delivered under the Plan and that may be subject to outstanding Awards set forth in Article 4.1 shall be increased or decreased proportionately, and the Shares then subject to each Award shall be increased or decreased proportionately without any change in the aggregate purchase price or exercise price thereof.

In the event that Shares shall be changed into or exchanged for a different number or class of shares of stock or securities of the Corporation or of another corporation, whether through recapitalization, reorganization, reclassification, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Corporation, issuance of warrants or other rights to purchase Shares or other securities of the Corporation, or any other similar corporate transaction or event affects the Shares such that an equitable adjustment would be necessary to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the authorized number of Shares that may be delivered under the Plan and

that may be subject to outstanding Awards set forth in Article 4.1 shall be adjusted proportionately, and an equitable adjustment shall be made to each Share subject to an Award such that no dilution or enlargement of the benefits or potential benefits occurs. Each such Share then subject to each Award shall be adjusted to the number and class of shares into which each outstanding Share shall be so exchanged such that no dilution or enlargement of the benefits occurs, all without change in the aggregate purchase price for the Shares then subject to each Award.

Action by the Committee pursuant to this Article 4.3 may include adjustment to any or all of: (i) the number and type of Shares (or other securities or other property) that thereafter may be made the subject of Awards or be delivered under the Plan; (ii) the number and type of Shares (other securities or other property) subject to outstanding Awards; (iii) the purchase price or exercise price of a Share under any outstanding Award or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments the Committee determines to be equitable. Any adjustment of Options or SARs, however, shall be made in a manner to avoid being considered a modification within the meaning of Code Section 424(h)(3) and Code Section 409A.

Awards may be granted, in the discretion of the Committee, in substitution for similar awards held by individuals who become Employees, Nonemployee Directors, or Consultants as a result of (i) a merger, consolidation, or acquisition by the Corporation of another entity or (ii) the acquisition by the Corporation of substantially all of the assets of another entity. Unless otherwise required by applicable law or regulation, Shares granted through the assumption of or in substitution for outstanding awards granted by a company that is merged or consolidated with, or acquired by, the Corporation shall not be subject to the Share limitations of Article 4.1.

Article 5. Eligibility and Participation

- 5.1 ELIGIBILITY.** Persons eligible to participate in this Plan include any Employee, Nonemployee Director, and Consultant, including any Employee who is a member of the Board.
- 5.2 ACTUAL PARTICIPATION.** Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Employees, Nonemployee Directors, and Consultants, those to whom Awards shall be granted and shall determine the nature and amount of each Award.

Article 6. Stock Options

- 6.1 GRANT OF OPTIONS.** Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee.

No Option shall be granted to any Employee, Nonemployee Director, or Consultant if, upon the granting of such Option, the number of Shares then subject to all Options to purchase held by the Employee, Nonemployee Director, or Consultant, as the case may be, plus the Shares then owned by such Employee, Nonemployee Director, or Consultant would constitute more than ten (10%) of the total combined voting power of all classes of stock of the Corporation. For the purpose of the preceding sentence, an Employee, Nonemployee Director, or Consultant shall be deemed to own all Shares which are attributable to him or her under Code Section 424(d), including, without limiting the generality of the foregoing, shares owned by his or her brothers, sisters, spouse, ancestors, and lineal descendants.

The Committee may not grant ISOs under the Plan to any Employee which would permit the aggregate Fair Market Value (determined on the date of grant) of Shares with respect to which ISOs (under this and any other plan of the Corporation) are exercisable for the first time by such Employee during any calendar year to exceed one hundred thousand dollars (\$100,000). Any excess shall be deemed a NQSO. No ISO shall be granted to a Nonemployee Director or Consultant.

If Shares acquired upon exercise of an Incentive Stock Option are disposed of by a Participant prior to the expiration of either two (2) years from the date of grant of such Incentive Stock Option or one year from the transfer of Shares to such Participant pursuant to the exercise of such Incentive Stock Option, or in any other disqualifying disposition within the meaning of Code Section 422, such Participant shall notify the Corporation in writing of the date and terms of such disposition and shall cooperate with the Corporation with respect to any tax withholding required or resulting from such disqualifying dispositions. A disqualifying disposition by a Participant shall not affect the status of any other Incentive Stock Option granted under the Plan as an Incentive Stock Option.

6.2 AWARD AGREEMENT. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the date of grant, vesting restrictions, if any, and such other provisions as the Committee shall determine. The Award Agreement also shall specify whether the Option is intended to be an ISO or an NQSO. Notwithstanding the foregoing, an Option shall have a minimum one (1) year vesting period and shall become fully vested no earlier than the date that is three (3) years after the date of grant of such Option, except as otherwise may be provided in the Award Agreement for (a) Retirement, (b) involuntary terminations of employment without Cause, (c) death, or (d) Disability. Notwithstanding the foregoing, the Committee may provide for the grant of Options with a time-based Period of Restriction shorter than mandated to the extent that the Shares underlying such Award and all other Awards granted under this Plan total no more than 5% of all Shares available for grants (subject to adjustment) under Article 4 of this Plan.

6.3 OPTION PRICE. The Option Price for each grant of an Option under this Plan shall be determined by the Committee but shall be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted; provided, however, that for Options granted through the assumption of or in substitution for outstanding awards granted by a company that is merged or consolidated with, or acquired by, the Company, the Option Price shall be determined by the Committee in its sole discretion and, if applicable, consistent with Code Section 424(a).

6.4 DURATION OF OPTIONS. Each Option granted to an Employee, Nonemployee Director, or Consultant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no Option shall be exercisable on or later than the tenth (10th) anniversary date of its grant.

6.5 EXERCISE OF OPTIONS.

- a. **General.** Except as otherwise provided in this Plan, Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance determine, which need not be the same for each grant or for each Participant. Options granted under this Article 6 shall be exercised by the delivery to the Corporation of written or other notice acceptable to the Corporation setting forth the number of Shares with respect to which the Option is to be exercised. The Committee also may provide, in an Award Agreement or otherwise, that if a Participant has not exercised an Option the day before the Option would expire, and the Fair Market Value of the
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Shares underlying such Option exceeds the Option Price, such Option shall be automatically exercised immediately before it would otherwise expire.

- b. **Method of Exercise.** The Option Price upon exercise of any Option shall be payable to the Corporation in full either: (a) in cash or its equivalent; (b) by tendering previously acquired Shares, including by attestation, having an aggregate Fair Market Value equal to the total Option Price; (c) by authorizing the Corporation to withhold from the total number of Shares as to which the Option is being exercised the number of Shares having a Fair Market Value on the date of exercise equal to the total Option Price; (d) by a combination of (a), (b), and (c); (e) subject to applicable securities laws and restrictions, through a broker-facilitated cashless exercise procedure acceptable to the Committee, or (f) by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law.

6.6 EXERCISE UPON TERMINATION OF EMPLOYMENT. Except as otherwise provided in this Plan or as otherwise provided in the Award Agreement or by the Committee, in the event that the employment of a Participant is terminated for any reason other than death, Disability, or Retirement, the rights under each then outstanding unvested Option granted to the Participant pursuant to the Plan shall be forfeited and any vested Option shall terminate upon the earlier of (1) the expiration of such Option, or (2) sixty (60) days after the Participant's termination of employment, unless such termination of employment was for Cause.

In the event that the employment of a Participant is terminated by reason of Retirement, each then outstanding Option of such Participant shall continue to be exercisable at such times and be subject to such restrictions and conditions, including expiration, as set forth in the applicable Award Agreement. Notwithstanding any other provision in the Plan to the contrary, in the event of the Retirement of a Participant, each then outstanding vested ISO not exercised within three (3) months of termination of employment shall automatically convert to an NQSO.

In the event that the employment of a Participant is terminated by reason of death or Disability, all such Participant's then outstanding Options shall become exercisable in full, and the Participant or (in the case of a Participant's death) the executor or administrator of such Participant's estate or a person or persons who have acquired the Options directly from such Participant by bequest, inheritance, or by reason of written designation as a beneficiary on a form proscribed by the Corporation, shall have until the earlier of (i) the expiration dates of such Options or (ii) thirteen (13) months after the Participant's date of death or Disability, to exercise such Options. Notwithstanding any other provision in the Plan to the contrary, in the event of the Disability of a Participant, each then outstanding vested ISO not exercised within twelve (12) months of termination of employment shall automatically convert to an NQSO.

Notwithstanding any provision of the Plan to the contrary, if a Participant's employment is terminated for Cause, the rights under each then outstanding Option granted to the Participant pursuant to the Plan shall immediately terminate, regardless of whether the Participant otherwise would have qualified for Disability or Retirement.

In addition to the foregoing, the Committee may include such provisions in the Award Agreement entered into with each Participant as it deems advisable (which may be more restrictive than described above), which provisions need not be uniform among all Options issued pursuant to this Article 6, and which may reflect distinctions based on the reasons for termination of employment.

6.7 EXERCISE UPON TERMINATION OF DIRECTORSHIP OR CONSULTANCY. Except as otherwise provided in this Plan, if a Participant's status as a Nonemployee Director or Consultant ceases for any reason other than Retirement or death, any outstanding

NQSO granted to such Participant under the Plan shall terminate thirteen (13) months after the termination of such Participant's status as a Nonemployee Director or Consultant, as the case may be; provided, however, that no Option shall be exercisable after its expiration date.

If a Participant's status as a Nonemployee Director or Consultant ceases by reason of Retirement, then all such Participant's outstanding Options shall become exercisable in full, and such Participant may exercise such Options until their expiration date.

If a Participant's status as a Nonemployee Director or Consultant ceases by reason of death, or a Participant who was a Nonemployee Director or Consultant dies after Retirement, all such Participant's then outstanding Options shall become exercisable in full, and the executor or administrator of such Participant's estate or a person or persons who have acquired the Options directly from such Participant by bequest, inheritance, or by reason of written designation as a beneficiary on a form proscribed by the Corporation, shall have until the expiration dates of such Options or thirteen (13) months after the Participant's date of death, whichever first occurs, to exercise such Options.

6.8 RESTRICTIONS ON SHARE TRANSFERABILITY. In addition to the foregoing, the Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Article 6 as it may deem advisable, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares.

6.9 DIVIDENDS AND OTHER DISTRIBUTIONS. Participants shall not be entitled to dividends or dividend equivalents with respect to an Option.

6.10 NON-TRANSFERABILITY OF OPTIONS. No Option granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated by a Participant, other than by will or by the laws of descent and distribution. Further, all ISOs granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

Article 7. Restricted Stock

7.1 GRANT OF RESTRICTED STOCK. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to Participants in such amounts as the Committee shall determine.

7.2 RESTRICTED STOCK AGREEMENT. Each Restricted Stock grant shall be evidenced by a Restricted Stock Award Agreement that shall specify the Period(s) of Restriction, the number of Shares of Restricted Stock granted, and such other provisions as the Committee shall determine.

7.3 OTHER RESTRICTIONS. The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock, restrictions based upon the achievement of specific performance objectives (Corporation-wide, business unit, and/or individual), Qualifying Performance Criteria, a Performance Cycle, time-based restrictions, and/or restrictions under applicable federal or state securities laws. Notwithstanding the foregoing, the Period of Restriction under any Restricted Stock Agreement shall have a minimum one (1) year period of restriction and may not fully lapse until the date that is three (3) years after the date of grant of such Restricted Stock, except as otherwise may be provided in the Award Agreement for (a) Retirement, (b) involuntary terminations of employment without Cause, (c) death, or (d) Disability.

Notwithstanding the foregoing, the Committee may provide for the grant of Restricted Stock with a time-based Period of Restriction shorter than mandated to the extent that the Shares underlying such Award and all other Awards granted under this Plan total no more than 5% of all Shares available for grants (subject to adjustment) under Article 4 of this Plan.

The Corporation shall either retain the certificates representing Shares of Restricted Stock in the Corporation's possession or shall hold the Shares of Restricted Stock electronically with its transfer agent in the name of applicable Participants and for the benefit of applicable Participants until such time as all conditions and/or restrictions applicable to such Shares have been satisfied. Except as otherwise provided in this Article 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan shall become freely transferable by the Participant after the last day of the applicable Period of Restriction.

- 7.4 VOTING RIGHTS.** During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares.
- 7.5 DIVIDENDS AND OTHER DISTRIBUTIONS.** During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may, at the discretion of the Committee, be credited with regular cash dividends paid with respect to the underlying Shares while they are so held. Such dividends shall not be paid currently and instead shall either be accrued as contingent cash obligations or be converted into additional Shares of Restricted Stock subject to the same vesting conditions as the original grant and upon such terms as the Committee establishes. For the avoidance of doubt, such dividend equivalents shall not be paid unless and until the Shares underlying such Awards vest.
- 7.6 NONTRANSFERABILITY.** During any Period(s) of Restriction, the Participant shall have no right to transfer any rights with respect to its Award of Shares of Restricted Stock.

Article 8. Restricted Stock Units

- 8.1 GRANT OF RSUs.** Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant RSUs to Participants in such amounts as the Committee shall determine.
- 8.2 AWARD AGREEMENT.** Each RSU shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of RSUs granted, the form of payment of the RSU, and such other provisions as the Committee shall determine.
- 8.3 OTHER RESTRICTIONS.** The Committee shall impose such other conditions and/or restrictions on any RSUs granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each RSU, restrictions based upon the achievement of specific performance objectives (Corporation-wide, business unit, and/or individual), Qualifying Performance Criteria, a Performance Cycle, time-based restrictions, and/or restrictions under applicable federal or state securities laws. Notwithstanding the foregoing, the Period of Restriction under any Restricted Stock Unit Award Agreement shall have a minimum one (1) year period of restriction and may not fully lapse until the date that is three (3) years after the date of grant of such RSU, except as otherwise may be provided in the Award Agreement for (a) Retirement, (b) involuntary terminations of employment without Cause, (c) death, or (d) Disability. Notwithstanding the foregoing, the Committee may provide for the grant of RSUs with a time-based Period of Restriction shorter than mandated to the extent that the Shares underlying such Award and all other Awards
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granted under this Plan total no more than 5% of all Shares available for grants (subject to adjustment) under Article 4 of this Plan.

- 8.4 VOTING RIGHTS.** Prior to the distribution of Shares (if any) under an RSU, Participants holding RSUs may not exercise any voting rights with respect to such RSUs.
- 8.5 DIVIDENDS AND OTHER DISTRIBUTIONS.** During the Period of Restriction, unless otherwise determined by the Committee in its discretion, Participants holding RSUs shall not be entitled to any dividends or dividend equivalents with respect to such RSUs. Notwithstanding the foregoing, if dividend equivalents are awarded with respect to any RSUs, such dividend equivalents may not be paid currently and instead shall either be accrued as contingent cash obligations or be converted into RSUs subject to the same performance-based conditions as the original grant and upon such other terms as the Committee establishes. For the avoidance of doubt, such dividend equivalents shall not be paid unless and until the Shares underlying such Awards vest.
- 8.6 NONTRANSFERABILITY.** During any Period(s) of Restriction, the Participant shall have no right to transfer any rights with respect to his or her Award of RSUs.

Article 9. Stock Appreciation Rights

- 9.1 GRANT OF SARs.** Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant SARs to Participants in such amounts as the Committee shall determine. A SAR shall represent a right to receive a payment in cash, Shares, or a combination thereof, equal to the excess of the Fair Market Value of a specified number of Shares on the date the SAR is exercised over an amount (the "SAR exercise price") which shall be no less than the Fair Market Value on the date the SAR was granted (or the Option Price for SARs granted in tandem with an Option), as set forth in the applicable Award Agreement.
- 9.2 AWARD AGREEMENT.** Each SAR grant shall be evidenced by an Award Agreement that shall specify the SAR exercise price, the duration of the SAR, the number of Shares to which the SAR pertains, whether the SAR is granted in tandem with the grant of an Option or is freestanding, the form of payment of the SAR upon exercise, and such other provisions as the Committee shall determine. SARs granted under this Article 9 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve and which shall be set forth in the applicable Award Agreement, which need not be the same for each grant or for each Participant. Notwithstanding the foregoing, a SAR shall have a minimum of one (1) year vesting period and shall not fully vest until the date that is three (3) years after the date of grant of such SAR, except as otherwise may be provided in the Award Agreement for (a) Retirement, (b) involuntary terminations of employment without Cause, (c) death, or (d) Disability. Notwithstanding the foregoing, the Committee may provide for the grant of SARs with a time-based Period of Restriction shorter than mandated to the extent that the Shares underlying such Award and all other Awards granted under this Plan total no more than 5% of all Shares available for grants (subject to adjustment) under Article 4 of this Plan.
- 9.3 DURATION OF SAR.** Each SAR granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no SAR shall be exercisable on or later than the tenth (10th) anniversary date of its grant.
- 9.4 EXERCISE.** SARs shall be exercised by the delivery to the Corporation of written or other notice of exercise acceptable to the Corporation, setting forth the number of Shares with respect to which the SAR is to be exercised. The date of exercise of the SAR shall be the date on which the Corporation shall have received notice from the Participant of the exercise of such SAR. SARs granted in tandem with the grant of an
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Option may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. SARs granted in tandem with the grant of an Option may be exercised only with respect to the shares for which its related Option is then exercisable.

With respect to SARs granted in tandem with an ISO, (a) such SAR will expire no later than the expiration of the underlying ISO, (b) the value of the payout with respect to such SAR may be for no more than 100% of the difference between the Option Price of the underlying ISO and the Fair Market Value of the Shares subject to the underlying ISO at the time such SAR is exercised, and (c) such SAR may be exercised only when the Fair Market Value of the Shares subject to the underlying ISO exceeds the Option Price of the ISO.

SARs granted independently from the grant of an Option may be exercised upon the terms and conditions contained in the applicable Award Agreement. In the event the SAR shall be payable in Shares, a certificate for the Shares acquired upon exercise of an SAR shall be issued in the name of the Participant, or the Corporation shall transfer the Shares electronically from its transfer agent to the Participant, as soon as practicable following receipt of notice of exercise. No fractional Shares will be issuable upon exercise of the SAR and, unless provided in the applicable Award Agreement or otherwise determined by the Committee, the Participant will receive cash in lieu of fractional Shares.

- 9.5 EXERCISE UPON TERMINATION OF EMPLOYMENT OR SERVICE.** Each Participant's Award Agreement shall set forth the extent to which the Participant shall have the right to exercise a SAR following termination of the Participant's employment or service with the Corporation. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into the Participants, need not be uniform among all SARs issued pursuant to this Article 9, and may reflect distinctions based on the reasons for termination of employment or service.
- 9.6 DIVIDENDS AND OTHER DISTRIBUTIONS:** Participants shall not be entitled to dividends or dividends equivalent with respect to SARs.
- 9.7 NON-TRANSFERABILITY.** Unless otherwise determined by the Committee in its discretion, no SAR granted under this Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, SARs granted in tandem with an ISO granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant.

Article 10. Deferred Stock Units and Other Incentive Awards

- 10.1 GRANT OF DEFERRED STOCK UNITS.** Subject to the terms and provisions of the Plan, the Committee may authorize the grant or sale of Deferred Stock Units to Participants in such amounts the Committee shall determine. Each such grant or sale shall constitute the agreement by the Corporation to deliver Shares to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions during the Deferral Period as the Committee may specify. Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Fair Market Value of the Shares at the date of grant.
- 10.2 AWARD AGREEMENT.** Each grant or sale of Deferred Stock Units shall be evidenced by an Award Agreement, which shall specify the form of payment of the Award and contain such terms and provisions, consistent with this Plan, as the Committee may approve.
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- 10.3 DEFERRAL PERIOD.** Each such grant or sale shall be subject, except (if the Committee shall so determine) in the event of a Change in Control or other similar transaction or event, to a Deferral Period of not less than one (1) year, as determined by the Committee at the date of grant.
- 10.4 VOTING RIGHTS.** During the Deferral Period, the Participant shall have no rights of ownership in the Shares of Deferred Stock Units and shall have no right to vote them.
- 10.5 DIVIDENDS.** During the Deferral Period (or Period of Restriction for any other incentive Award described in Section 10.7), the Committee may, at or after the date of grant, authorize payment of dividend equivalents on any Shares underlying Deferred Stock Units or other incentive Awards described in Section 10.7. If dividend equivalents are awarded with respect to any Deferred Stock Units or other incentive Awards, such dividend equivalents shall not be paid currently and instead shall either be accrued as contingent cash obligations or be converted into Shares of performance-based Deferred Stock Units or other incentive Awards subject to the same performance-based conditions as the original grant and upon such other terms as the Committee establishes. For the avoidance of doubt, such dividend equivalents shall not be paid unless and until the Shares underlying such Awards vest.
- 10.6 NON-TRANSFERABILITY.** During the Deferral Period, no Shares underlying Deferred Stock Units may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.
- 10.7 OTHER INCENTIVE AWARDS.** The Committee may from time to time grant other incentive Awards, including Shares and other Awards under the Plan that are valued in whole or in part by reference to, or are otherwise based upon the Fair Market Value of Shares and are payable in cash, Shares, or a combination of cash and Shares. The Committee, in its sole discretion, shall determine the terms and conditions of such Awards, which shall be consistent with the terms and purposes of the Plan. Accordingly, the Period of Restriction under any such other incentive Award Agreement shall have a minimum one (1) year period of restriction and may not fully lapse until the date that is three (3) years after the date of grant of such Award, except as otherwise may be provided in the Award Agreement for (a) Retirement, (b) involuntary terminations of employment without Cause, (c) death, or (d) Disability. Notwithstanding the foregoing, the Committee may provide for the grant of other incentive Awards with a time-based Period of Restriction shorter than mandated to the extent that the Shares underlying such Award and all other Awards granted under this Plan total no more than 5% of all Shares available for grants (subject to adjustment) under Article 4 of this Plan. If any dividend equivalents are granted with respect to other incentive Awards, they will be paid in the manner described under Section 10.5 of this Plan.

Article 11. Long-Term Performance Awards

- 11.1 LONG-TERM PERFORMANCE AWARDS.** Subject to the terms and provisions of the Plan, a Participant shall have the opportunity to receive an Award of cash, Shares, or a combination thereof, in such amounts and upon such terms and at such times as determined by the Committee in its sole discretion.
- 11.2 TERMS OF LONG-TERM PERFORMANCE AWARDS.** The Committee shall set performance objectives in its discretion which, depending on the extent to which they are met, will determine the number of Shares and/or value of Long-Term Performance Awards that will be paid to the Participant. The Committee shall establish the Performance Cycle for each Long-Term Performance Award (which shall be no less than one year) and shall impose such other conditions and/or restrictions on any Long-Term Performance Awards as it may deem advisable including, without limitation, restrictions
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based upon the achievement of specific performance objectives (Corporation-wide, business unit, and/or individual), Qualifying Performance Criteria, time-based restrictions, and/or restrictions under applicable federal or state securities laws.

- 11.3 EARNING OF LONG-TERM PERFORMANCE AWARDS.** Subject to the terms of this Plan and Article 11, after the applicable Performance Cycle has ended, the Participant shall be entitled to receive a payment of the number of Shares and/or cash earned by the Participant over the applicable Performance Cycle. Notwithstanding the satisfaction of the performance objectives, except in the case of a Change in Control, the Committee has the discretion to reduce or eliminate a Long-Term Performance Award that would otherwise be paid to any Participant based on the Committee's evaluation of Extraordinary Events or other factors.
- 11.4 FORM AND TIMING OF PAYMENT OF LONG-TERM PERFORMANCE AWARDS.** Payment of Long-Term Performance Awards shall be made as soon as practical following the close of the applicable Performance Cycle in a manner designated by the Committee, in its sole discretion. Subject to the terms of this Plan, the Committee, in its sole discretion, may pay Long-Term Performance Awards in the form of cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value of the Long-Term Performance Awards at the close of the applicable Performance Cycle. Such Shares may be granted subject to any restrictions deemed appropriate by the Committee.
- 11.5 REQUIREMENT OF EMPLOYMENT.** Except as otherwise provided in this Plan and as specified in Article 17, a Participant must remain in the employment of the Corporation until the payment of a Long-Term Performance Award in order to be entitled to payment; provided, however, that the Committee may, in its sole discretion, provide for a partial or full payment in the event the Participant is not so employed.
- 11.6 DIVIDEND EQUIVALENTS.** For any Performance Cycle, the Committee may authorize payment of dividend equivalents on any Shares underlying Performance Awards. Such dividend equivalents may not be paid currently and instead shall either be accrued as contingent cash obligations or be converted into Shares subject to the same performance-based conditions as the original grant of Performance Awards and upon such other terms as the Committee establishes. For the avoidance of doubt, such dividend equivalents shall not be paid unless and until the Awards vest. Notwithstanding anything herein to the contrary, no dividend equivalents may be paid on any Shares underlying Performance Awards that failed to vest or that have been forfeited by the Participant.
- 11.7 NON-TRANSFERABILITY.** A Long-Term Performance Award may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

Article 12. Establishment and Certification of Awards

- 12.1 ESTABLISHMENT OF QUALIFYING PERFORMANCE CRITERIA.** At such time deemed appropriate by the reasonable estimation of the Committee, the Committee shall, in its sole discretion, for each such Performance Cycle, determine and establish in writing one or more performance goals based on one or more Qualifying Performance Criteria applicable to the Performance Cycle for each Participant. The Committee may establish any number of differing Performance Cycles, performance goals, Qualifying Performance Criteria, and Awards for Participants running concurrently, in whole or in part.
- 12.2 CERTIFICATION OF ACHIEVEMENT OF QUALIFYING PERFORMANCE CRITERIA AND AMOUNT OF AWARDS.** After the end of each Performance Cycle, or such earlier
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date if the Qualifying Performance Criteria are achieved, the Committee shall certify in writing, prior to the payment of any Award to a Participant, that the performance goal based on the Qualifying Performance Criteria for the Performance Cycle and all other material terms of the Plan were satisfied. This certification will include certification of the multiplier to be applied to the amount otherwise payable under an Award to determine the number of Shares or amount of cash to be paid to a Participant under an Award.

12.3 MAXIMUM AWARD TO PARTICIPANTS. The maximum aggregate number of Shares that may be subject to an Award and the maximum amount of compensation (whether represented by Shares, cash, or a combination thereof) that may be payable to a Participant shall be governed by Article 4 of this Plan.

12.4 TAX AND SECURITY LAWS. In the event that applicable tax and securities laws change to permit the Committee discretion to alter any terms of the Plan without obtaining shareholder approval of such changes, the Committee shall have the sole discretion to make such changes without obtaining shareholder approval.

Article 13. Beneficiary Designation

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Corporation, and will be effective only when filed by the Participant in writing with the Corporation during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's brokerage account established for the Participant under this Plan. If the Participant designated a beneficiary for the brokerage account, benefits will be distributed to such beneficiary. Otherwise, benefits will be distributed in accordance with the beneficiary procedures under the brokerage account.

Article 14. Deferrals

13.1 PARTICIPANT-INITIATED DEFERRALS. Unless otherwise provided by the Committee, a Participant may elect to defer payment of the Participant's Award under the Plan if deferral of an Award under the Plan is permitted pursuant to the terms of the Executive Deferred Compensation Plan or the Director Deferred Compensation Plan, as applicable, and the deferral complies with the terms of the Executive Deferred Compensation Plan and Director Deferred Compensation Plan, as applicable, and is completed under a procedure that is intended to comply with Code Section 409A and any guidance thereunder.

13.2 COMMITTEE-INITIATED DEFERRALS. Notwithstanding any provision of the Plan to the contrary, any payment due under this Plan to an "Executive Officer" under the Dodd-Frank Act shall not be made until such period specified under the Dodd-Frank Act, if applicable. If during this deferral period, (1) the Corporation experiences a financial loss or (2) the Committee learns of inappropriate risk-taking activities by the Participant, the Committee will reduce the amount of the payment otherwise due to the Participant, in accordance with the procedures set forth in the Dodd-Frank Act. In addition, except in the situation of a Change in Control, the Committee may defer payment of an Award for such period as the Committee may determine. Any such deferrals of payment under this paragraph shall be made in compliance with the Executive Deferred Compensation Plan or the Director Deferred Compensation Plan, as applicable, all applicable federal and

state banking regulations, including the Dodd Frank Act, and in a manner that is intended to comply with Code Section 409A and any guidance thereunder.

Article 15. Discretion to Reduce Awards and Delay Payment

Except as specifically provided in this Plan or an Award Agreement, the Committee has no discretion to reduce or eliminate an Award settled in Shares that would otherwise be paid to any Participant. Notwithstanding any provision of this Plan to the contrary, except in the event of a Change in Control, the Committee has the discretion to reduce or eliminate an Award settled in cash that would otherwise be paid to any Participant based on the Committee's evaluation of Extraordinary Events or other factors described in Article 20. Also notwithstanding any provision of this Plan to the contrary, the Committee, in its sole discretion, may delay making payment to a Participant of Shares or cash with respect to an Award, if the Committee reasonably believes that the making of the payment violates federal securities laws. In such circumstances, the payment will be made at the earliest date at which the Committee believes that the making of the payment will not cause the securities law violation. Additionally, if the Committee reasonably believes that the exercise of an Option would violate any applicable laws, government regulations, requirements of any securities exchange on which the Corporation's Shares are traded, or any insider trading policy of the Corporation, the Committee, in its sole discretion, may prohibit any Participant from exercising an Option for such period of time that the Committee considers necessary to avoid such violation.

Article 16. Effect of Change in Control

Except as otherwise provided in the Plan, any Award Agreement granted hereunder, or any employment agreement between the Corporation and a Participant, upon a Change in Control all outstanding Awards which are subject to a Period of Restriction or are not fully vested shall become fully exercisable and all restrictions thereon shall terminate if:

- a. within 12 months after a Change in Control of the Corporation occurs, the Participant's service has been terminated by the Corporation (provided that such termination is for a reason other than for Cause); or
- b. (1) the Corporation previously terminated the Participant's service without Cause during the year before the Change in Control was consummated but after a third party or the Corporation had taken steps reasonably calculated to effect a Change in Control, and (2) it is reasonably demonstrated by the Participant that such termination of service was in connection with or in anticipation of a Change in Control.

Notwithstanding the foregoing, the Committee may determine and provide through an Award Agreement, or other means, the treatment of partially completed Performance Cycles (if any) for any Awards outstanding upon a Change in Control. Further, the Committee, as constituted before such Change in Control, is authorized, and has sole discretion, as to any Award, either at the time such Award is granted hereunder or any time thereafter, to take any one or more of the following actions: (i) provide for the cancellation of any Option or SAR for an amount of cash equal to the difference between the exercise price and the then Fair Market Value of the Shares covered thereby had such Option or SAR been currently exercisable, but only upon prior approval of the Corporation's shareholders of such action; (ii) make such adjustment to any such Award then outstanding as the Committee deems appropriate to reflect such Change in Control; or (iii) cause any such Award then outstanding to be assumed, by the acquiring or surviving corporation, after such Change in Control.

Article 17. Rights of Employees

- 17.1 EMPLOYMENT.** Nothing in the Plan shall interfere with or limit in any way the right of the Corporation to terminate any Participant's employment at any time, with or without Cause, nor confer upon any Participant any right to continue in the employ of the Corporation.
- 17.2 PARTICIPATION.** No Employee shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

Article 18. Amendment, Modification, Extension, Renewal, and Termination

Subject to the requirements of Code Section 409A, Code Section 424, and the Plan, the Committee may modify, extend, or renew outstanding Awards, or accept the surrender of outstanding Awards (to the extent not previously exercised and to the extent such surrender does not require shareholder approval as described below) granted under the Plan and authorize the granting of new Awards under the Plan in substitution of such Awards, and the modified, extended, renewed, or substituted Awards may have any provisions that are authorized by the Plan. The Board or Committee may at any time and from time to time, alter, amend, suspend, or terminate the Plan in whole or in part. Notwithstanding any provision to the contrary, however, the Committee shall not have the authority to, without shareholder approval, (1) change the limits set forth in Article 4.1, (2) change the minimum Option Price, (3) change eligible Participants to receive Awards, (4) reprice or alter the Option Price of any Option or exercise price of any SAR, previously awarded to any Participant, whether through amendment, exchange, cancellation and replacement grant, taking any action that would be treated as a repricing under the rules and regulations of the principal securities exchange on which the Shares are traded, or any other means, (5) buy out or cancel an existing Option or SAR (or accept the surrender thereof) in exchange for an amount of cash or Shares when the Fair Market Value of the Shares covered by the Option or SAR is less than the Option Price or exercise price of the SAR, or (6) permit the purchase of Shares subject to any unvested Option or SAR or waive the vesting requirement of any unvested Award except as a result of (a) a Change in Control, (b) the death of a Participant, or (c) a Participant's separation from service with the Corporation as defined in accordance with Code Section 409A) due to Retirement or involuntary termination without Cause. Notwithstanding any provision of the Plan to the contrary, if the Committee determines that any Award may or does not comply with Code Section 409A, the Corporation may amend the Plan and the affected Award Agreement, or take any other action, without the Participant's consent, that the Committee believes necessary or appropriate to (1) exempt the Plan and any Award from the application of Code Section 409A, or (2) comply with the requirements of Code Section 409A.

Article 19. Withholding

- 19.1 TAX WITHHOLDING.** The Corporation shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.
- 19.2 SHARE WITHHOLDING.** With respect to withholding required upon the exercise of Options, upon the lapse of restrictions on Restricted Stock, RSUs, SARs, or Deferred Stock Units, or upon any other taxable event arising as a result of Awards granted hereunder, Participants may elect to satisfy the tax withholding requirement, in whole or in part, by (i) having the Corporation withhold Shares having a Fair Market Value on the
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date the tax is to be determined in an amount that does not exceed the maximum individual statutory tax rate in a given jurisdiction, or such other amount that does not trigger adverse accounting treatment under ASC 718 or any successor thereto, as determined by the Committee, or (ii) the delivery of shares to the Corporation (including attestation) having a Fair Market Value equal to the amount of the tax withholding obligations related to the transaction. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate. Delivery or withholding of fractional Shares shall not be permitted.

Article 20. Forfeiture

Except on or after a Change in Control or as otherwise provided in the applicable Award Agreement, and notwithstanding any other provisions in the Plan, in the event of:

(1) a serious breach of conduct by a Participant or former Participant (including, without limitation, any conduct prejudicial to or in conflict with the Corporation or any securities laws violations including any violations under the Sarbanes-Oxley Act of 2002), or
(2) any activity of a Participant or former Participant in which the Participant or former Participant solicits or takes away customers or potential customers with whom the Participant or former Participant had contact with or responsibility for during the Participant's or former Participant's employment with the Corporation (individually and collectively referred to as "Misconduct"),

the Committee shall (a) terminate any outstanding Award granted to the Participant, in whole or in part, whether or not vested, and (b) if such Misconduct occurs within three (3) years of the exercise or payment of an Award, require the Participant or former Participant to repay the Corporation any gain realized or payment received upon the exercise or payment of such Award (with such gain or repayment valued as of the date of exercise or payment), without regard to when such Misconduct is actually discovered by the Corporation. Such termination or repayment obligation shall be effective as of the date specified by the Committee. Any repayment obligation may be satisfied in Shares or cash or a combination thereof (based upon the Fair Market Value of the Shares on the day prior to the repayment) and the Committee may provide for an offset of any future payments owed by the Corporation to such person if necessary to satisfy the repayment obligation. The determination of whether any Participant or former Participant has engaged in a serious breach of conduct or any prohibited solicitation shall be determined by the Committee in good faith and in its sole discretion.

Further, notwithstanding any provision of the Plan to the contrary, if the Corporation is required to restate any of its financial statements because of a material financial reporting violation, the Corporation shall recover the amount in excess of the Award payable under the Corporation's restated financial statements, or such other amount required under the Dodd-Frank Act or any other applicable law or policy. The Corporation shall recover this amount from any current or former Participant who received a payment under this Plan during the three-year period preceding the date on which the restatement is required, or from any other individual specified in the Dodd-Frank Act. In addition, if the Committee determines that a Participant (1) took unnecessary or excessive risk, (2) manipulated earnings, or (3) engaged in any misconduct described in the Huntington Bancshares Incorporated Recoupment Policy (the "Recoupment Policy"), the Committee shall terminate the Participant's participation in this Plan and require repayment of any amount previously paid under this Plan in accordance with the terms of the Recoupment Policy, any other applicable policy of the Corporation, and any other applicable laws and regulations.

Article 21. Indemnification

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Corporation against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Corporation's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Corporation an opportunity at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Corporation's Charter or Bylaws, as a matter of law, or otherwise, or any power that the Corporation may have to indemnify them or hold them harmless.

Article 22. Successors

All obligations of the Corporation under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Corporation, whether the existence of such successor is the result of a direct or indirect purchase of all or substantially all of the business and/or assets of the Corporation, or a merger, consolidation, or otherwise.

Article 23. Unfunded Plan

The Plan shall be unfunded and the Corporation shall not be required to segregate any assets that may at any time be represented by Awards under the Plan. Any liability of the Company to any person with respect to any Awards under the Plan shall be based solely upon any contractual obligations that may be effected pursuant to the Plan. Except as provided herein, no such obligation of the Corporation shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Corporation.

Article 24. Notification Under Code Section 83(B)

If the Participant, in connection with the exercise of any Option, or the grant of Shares from an Award of SARs, or Restricted Stock, desires to make the election permitted under Code Section 83(b) to include in such Participant's gross income in the year of transfer the amounts specified in Code Section 83(b), then such Participant shall notify the Corporation of the desired election within ten (10) days before the filing of the notice of the election with the Internal Revenue Service in addition to any filing and notification required under regulations issued under Code Section 83(b). The Committee may, in connection with the grant of an Award or at any time thereafter before such an election being made, prohibit a Participant from making the election described above.

Article 25. Other Plans

Nothing in this Plan shall be construed as limiting the authority of the Committee, the Board of Directors, the Corporation or any Subsidiary to establish any other compensation plan, or as in any way limiting its or their authority to pay bonuses or supplemental compensation to any persons employed by the Company or a Subsidiary,

whether or not such person is a Participant in this Plan and regardless of how the amount of such compensation or bonus is determined.

Article 26. Legal Construction

- 26.1 GENDER AND NUMBER.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.
- 26.2 SEVERABILITY.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included, but only if the intent of the Plan can be implemented without such severed provision.
- 26.3 REQUIREMENTS OF LAW.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
- 26.4 GOVERNING LAW.** In order to benefit Participants by establishing a uniform application of law with respect to the administration of the Plan, the Plan and all agreements hereunder shall be interpreted in accordance with Ohio law, except to the extent superseded by federal law and without regard to any choice of law provisions. Any suit, action, or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Plan, shall be brought in any court of the State of Ohio and of the United States for the Southern District of Ohio. The Corporation, each Participant, and any related parties irrevocably and unconditionally consent to the exclusive jurisdiction of such courts in any such litigation related to this Plan and any agreements hereunder, such parties irrevocably and unconditionally waive any objection that venue is improper or that such litigation has been brought in an inconvenient forum.
- 26.5 CODE SECTION 409A.** Anything under the Plan or an Award Agreement to the contrary notwithstanding, to the extent applicable, it is intended that Awards under the Plan be administered, interpreted, and construed in a manner necessary to comply with Code Section 409A or, to the extent administratively practicable, an exception to Code Section 409A. An Award that provides for a "deferral of compensation" subject to Code Section 409A shall comply with the provisions of Code Section 409A, and the Plan and all applicable Awards shall be construed and applied in a manner consistent with this intent. In furtherance thereof, any amount constituting a "deferral of compensation" under Treasury Regulation Section 1.409A-1(b) that is payable to a Participant upon a Retirement or other termination of service will be payable only if such event qualifies as a separation from service of the Participant (within the meaning of Treasury Regulation Section 1.409A-1(h)). Further, any amount constituting a "deferral of compensation" under Treasury Regulation Section 1.409A-1(b) that is payable to a Participant upon the Participant's separation from service (other than due to the Participant's death), occurring while the Participant shall be a "specified employee" (within the meaning of Treasury Regulation Section 1.409A-1(i) and the Corporation's Executive Deferred Compensation Plan (or any successor thereto)) of the Company or Subsidiary, shall not be paid until the earlier of (a) the date that is six months following such separation from service or (b) the date of the Participant's death following such separation from service. The grant of Options and SARs shall be granted under terms and conditions consistent with Treasury Regulation Section 1.409A-1(b)(5) such that any such Award does not constitute a "deferral of compensation" under Code Section 409A. It is further intended that distribution events under an Award qualify as permissible distribution events for
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purposes of Code Section 409A or an applicable exception, and this Plan and Award Agreements shall be interpreted accordingly. Neither the Corporation nor any Participant may accelerate or delay payment, settlement, or exercise of any Award except to the extent permitted under Code Section 409A or an applicable exception.

26.6 NO LIABILITY WITH RESPECT TO ADVERSE TAX TREATMENT. Notwithstanding any provision of this Plan to the contrary, in no event shall the Corporation or any Subsidiary be liable to a Participant on account of an Award's failure to (i) qualify for favorable U.S., foreign, state, local, or other tax or withholding treatment or (ii) avoid adverse tax or withholding treatment under U.S., foreign, state, local, or other law, including, without limitation, Code Section 409A.

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Exhibit 10.25

Effective as of April 18, 2018
Amended January 18, 2022

Huntington Bancshares Incorporated

Executive Deferred Compensation Plan

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Purpose

The purpose of this Plan is to provide specified benefits to a select group of management or highly compensated Employees who contribute materially to the continued growth, development and future business success of Huntington Bancshares Incorporated, a Maryland corporation, and its subsidiaries and affiliates, if any, that are participating employers in this Plan. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

The Company previously maintained the Huntington Bancshares Incorporated Executive Deferred Compensation Plan amended and restated effective on October 15, 2008, effective for all deferrals on or after January 1, 2005, with the intent to comply with applicable provisions of Section 409A of the Code. The Plan was amended and restated again, effective for all amounts deferred on or after January 1, 2012 to provide greater flexibility to Participants with respect to deferral and payment elections. This Plan is being amended and restated again, effective April 18, 2018, to allow Participants to elect to receive up to fifteen (15) annual installments in the event of Separation from Service for reasons other than Retirement and to provide for certain other administrative changes. This Plan is intended to comply with all applicable law, including Code Section 409A and related Treasury guidance and regulations, and shall be operated and interpreted in accordance with this intention.

ARTICLE 1 **Definitions**

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the meanings set forth in this Article 1:

- 1.1 “Account Balance” shall mean, with respect to a Participant, an entry on the records of the Employer equal to the sum of the Participant’s Annual Accounts. The Account Balance shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.
- 1.2 “Annual Account” shall mean, with respect to a Participant, an entry on the records of the Employer equal to (a) the sum of the Participant’s Annual Deferral Amount, plus (b) any Mandatory Deferrals made during a Plan Year, plus (c) Company Contribution Amounts or any other amounts credited or debited to such amounts pursuant to this Plan, less (d) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Annual Account for such Plan Year. The Annual Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.
- 1.3 “Annual Deferral Amount” shall mean that portion of a Participant's Base Salary, Bonus, LTIP Amounts, RSUs, and any other compensation designated by the Company that a Participant defers in accordance with Article 3 for any one Plan Year, without regard to whether such amounts are withheld and credited during such Plan Year.
- 1.4 “Annual Installment Method” shall mean the method used to determine the amount of each payment due to a Participant who has elected to receive a benefit over a period of

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years in accordance with the applicable provisions of the Plan. The amount of each annual payment due to the Participant shall be calculated by multiplying the Participant's Account Balance as of the Business Day coincident with, or if that is not administratively practicable, immediately preceding, the date an installment payment actually is made, by a fraction, the numerator of which is one and the denominator of which is the remaining number of annual payments due to the Participant. By way of example, if the Participant elects a 10-year Annual Installment Method for his or her Account Balance, the first payment shall be 1/10 of the vested Account Balance, calculated as described in this definition. The following year, the payment shall be 1/9 of the vested Account Balance, calculated as described in this definition. The amount of the first annual payment shall be calculated as of the Business Day, and the amount of each subsequent annual payment shall be calculated on or around each anniversary of such Business Day. For purposes of this Plan, the right to receive a benefit payment in annual installments shall be treated as the entitlement to a series of separate individual payments rather than as entitlement to a single payment.

- 1.5 "Base Salary" shall mean the annual cash compensation relating to services performed during any calendar year, excluding the following items: (i) distributions from nonqualified deferred compensation plans, (ii) bonuses, (iii) commissions, (iv) overtime, (v) fringe benefits, (vi) stock options, (vii) restricted stock units, (viii) relocation expenses, (ix) incentive payments, (x) nonmonetary awards, (xi) director fees and other fees, and (xii) automobile and other allowances paid to a Participant for employment services rendered (whether or not such allowances are included in the Employee's gross income). Base Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or nonqualified plans of any Employer and shall be calculated to include amounts not otherwise included in the Participant's gross income under Code Sections 125, 402(e)(3), 402(h), 403(b), or 132(f) pursuant to plans established by any Employer; provided, however, that all such amounts will be included in compensation only to the extent that had there been no such plan, the amount would have been payable in cash to the Employee.
- 1.6 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 6, that are entitled to receive benefits under this Plan upon the death of a Participant.
- 1.7 "Beneficiary Designation Form" shall mean the form established from time to time by the Company that a Participant completes, signs and returns to the Company to designate one or more Beneficiaries.
- 1.8 "Board" shall mean the board of directors of the Company.
- 1.9 "Bonus" shall mean (i) any compensation, in addition to Base Salary, LTIP Amounts and RSUs, earned by a Participant under any Employer's bonus, commission or other cash incentive plans or other arrangements designated by the Committee as further specified on any Election Form and (ii) any signing bonus that is not yet earned, as further specified to the extent compliant with Code Section 409A on any Election Form.

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- 1.10 “Business Day” shall mean a day, except for a Saturday, Sunday, a legal holiday or a day when the primary stock exchange on which the Company’s common stock is traded is not open.
- 1.11 “Change in Control” shall mean with respect to the Company, the occurrence of any of the following:
- (a) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (“the Exchange Act”) as in effect as of the date of this Plan) becomes the beneficial owner, directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company’s then-outstanding securities entitled to vote generally in the election of directors (“voting securities”); provided, however, that, for purposes of this Plan, the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, or (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company of any of its affiliates;
 - (b) Individuals who, as of the effective date of this restated plan, constitute the Board of Directors of the Company (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that, any individual becoming a director subsequent to the date hereof whose election, or nomination for election, was approved by a vote of at least a majority of the directors comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;
 - (c) The consummation of a merger, statutory share exchange, consolidation or similar corporate transaction involving the Company, other than any such transaction in which the voting securities of the Company immediately prior to the transaction continue to represent (either by remaining outstanding or being converted into securities of the “surviving entity,” which for purposes of this Agreement shall include the corporation or other entity resulting from such transaction and/or the corporation or other entity that, as a result of the transaction, owns the Company or all or substantially all of the Company’s assets, either directly or indirectly) more than 50% of the combined voting power of the Company or surviving entity resulting from such transaction immediately after the transaction with another entity;
 - (d) The consummation of a sale, exchange, lease, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Company, which shall include, without limitation, the sale of assets or earning power aggregating more than 50% of the assets or earning power of the Company on a consolidated basis, other than any such transaction in which a majority of the voting securities of the surviving entity are, immediately following consummation of such transaction, beneficially owned

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by the individuals and entities that were the beneficial owners of the Company's voting securities immediately prior to the transaction;

- (e) The consummation of a liquidation or dissolution of the Company;
- (f) The consummation of a reorganization, reverse stock split, or recapitalization of the Company which would result in any of the foregoing; or
- (g) The consummation of a transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

Notwithstanding the foregoing, if the payment of all or any portion of a Participant's Account Balance is triggered by a Change in Control, the events described above shall not constitute a Change in Control unless they constitute a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, as described under Code Section 409A; or in the case of a liquidation or dissolution of the Company, such liquidation or dissolution complies with the procedures set forth in Treasury Regulation Section 1.409A-3(j)(4)(ix)(A).

- 1.12 "Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.
- 1.13 "Compensation Committee" or "Committee" shall mean the Compensation Committee of the Board of Directors.
- 1.14 "Company" shall mean Huntington Bancshares Incorporated, a Maryland corporation, and any successor to all or substantially all of the Company's assets or business.
- 1.15 "Company Contribution Amount" shall mean, for any one Plan Year, the amount determined in accordance with Section 3.4.
- 1.16 "Election Form" shall mean the form or forms, which may be in electronic format, established from time to time by the Company that a Participant completes, signs and returns to the Company to make deferral, payment, and other elections under the Plan.
- 1.17 "Employee" shall mean a person who is an employee of an Employer.
- 1.18 "Employer(s)" shall be defined as follows:
 - (a) Except as otherwise provided in part (b) of this Section, the term "Employer" shall mean the Company and/or any of its subsidiaries or affiliates (now in existence or hereafter formed or acquired) that have been selected by the Company to participate in the Plan.
 - (b) For the purpose of determining whether a Participant has experienced a Separation from Service, the term "Employer" shall mean:
 - (i) The entity for which the Participant performs services and with respect to which the legally binding right to compensation deferred or contributed under this Plan arises; and

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(ii) All other entities with which the entity described above would be aggregated and treated as a single employer under Code Section 414(b) (controlled group of corporations) and Code Section 414(c) (a group of trades or businesses, whether or not incorporated, under common control), as applicable. In order to identify the group of entities described in the preceding sentence, the Committee shall use an ownership threshold of at least 50% as a substitute for the 80% minimum ownership threshold that appears in, and otherwise must be used when applying, the applicable provisions of (A) Code Section 1563 for determining a controlled group of corporations under Code Section 414(b), and (B) Treas. Reg. §1.414(c)-2 for determining the trades or businesses that are under common control under Code Section 414(c).

- 1.19 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.
- 1.20 "Investment Funds" shall mean hypothetical investment alternatives based on mutual funds or other investments, including deemed interest crediting measures, selected by the Company for the purpose of determining the earnings (or losses) on a Participant's Account Balance.
- 1.21 "LTIP Amounts" shall mean any portion of the compensation attributable to a Plan Year that is earned by a Participant under any Employer's long-term incentive plan or any other long-term incentive arrangement designated by the Company, including performance units.
- 1.22 "Mandatory Deferral" means any Bonus, LTIP Amount, RSU, or such other compensation that the Company requires a Participant to defer under the terms of an applicable incentive plan arrangement.
- 1.23 "Participant" shall mean any Employee (a) who is selected to participate in the Plan, (b) whose executed Election Form is accepted by the Company, and (c) whose eligibility to participate in this Plan has not terminated.
- 1.24 "Performance-Based Compensation" shall mean compensation the entitlement to or amount of which is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months, as determined by the Company in accordance with Treas. Reg. §1.409A-1(e).
- 1.25 "Plan" or "409A Plan" shall mean the Huntington Bancshares Incorporated Executive Deferred Compensation Plan, effective January 1, 2012, which shall be evidenced by this instrument, as it may be amended from time to time, and by any other documents that together with this instrument define a Participant's rights to amounts credited to his or her Account Balance.
- 1.26 "Plan Year" shall mean (a) a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year, (b) in the case of LTIP Amounts, the period beginning January 1 of a calendar year and ending on the last day of the

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performance cycle in which such LTIP Amounts are earned, or (c) such other period as designated by the Committee or Company.

- 1.27 “Restricted Stock Unit” or “RSU” shall mean any restricted stock unit award including dividend equivalents unless otherwise determined by the Committee granted under the Huntington Bancshares Incorporated Second Amended and Restated 2007 Stock and Long-Term Incentive Plan, or any new or successor plan.
- 1.28 “Retirement,” “Retire(s)” or “Retired” shall mean the retirement from employment with the Company under one or more of the retirement plans of the Company, or as otherwise defined by the Committee.
- 1.29 “Separation from Service” shall mean a termination of services provided by a Participant to his or her Employer, whether voluntarily or involuntarily, as determined by the Company in accordance with Treas. Reg. §1.409A-1(h). In determining whether a Participant has experienced a Separation from Service, a Separation from Service shall occur when such Participant has experienced a termination of employment with such Employer. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Participant and his or her Employer reasonably anticipate that either (i) no further services will be performed for the Employer after a certain date, or (ii) that the level of bona fide services the Participant will perform for the Employer after such date (whether as an Employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed by such Participant (whether as an Employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer less than 36 months).
- If a Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed 6 months, or if longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds 6 months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of this Plan as of the first day immediately following the end of such 6-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.
- If leave of absence is due to disability, then the applicable period described previously shall be 29 months instead of 6 months. For this purpose, “disability” shall mean any medically determinable physical or mental impairment that can be expected to result in death or last a continuous period of not less than 6 months that causes the employee to be unable to perform the duties of his or her position or a similar job.
- 1.30 “Specified Employee” shall mean any Participant who is determined to be a “key employee” (as defined under Code Section 416(i) without regard to paragraph (5))

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thereof) for the applicable period, as determined annually by the Company in accordance with Treas. Reg. §1.409A-1(i). In determining whether a Participant is a Specified Employee, the following provisions shall apply:

- (a) The Company's identification of the individuals who fall within the definition of "key employee" under Code Section 416(i) (without regard to paragraph (5) thereof) shall be based upon the 12-month period ending on each December 31st (referred to below as the "identification date"). In applying the applicable provisions of Code Section 416(i) to identify such individuals, "compensation" shall be determined in accordance with Treas. Reg. §1.415(c)-2(a) without regard to (i) any safe harbor provided in Treas. Reg. §1.415(c)-2(d), (ii) any of the special timing rules provided in Treas. Reg. §1.415(c)-2(e), and (iii) any of the special rules provided in Treas. Reg. §1.415(c)-2(g); and
- (b) Each Participant who is among the individuals identified as a "key employee" in accordance with part (a) of this Section shall be treated as a Specified Employee for purposes of this Plan if such Participant experiences a Separation from Service during the 12-month period that begins on the April 1st following the applicable identification date and ends March 31st of the following year.

1.31 "Trust" shall mean one or more trusts established by the Company in accordance with Article 13.

1.32 "Unforeseeable Emergency" shall mean a severe financial hardship of the Participant resulting from (a) an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary or the Participant's dependent (as defined in Code Section 152 without regard to paragraphs (b)(1), (b)(2) and (d)(1)(b) thereof), (b) a loss of the Participant's property due to casualty, or (c) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined by the Committee based on the relevant facts and circumstances.

ARTICLE 2

Selection, Enrollment, Eligibility

2.1 **Selection as a Participant.** Participation in the Plan shall be limited, as determined by the Committee in its sole discretion, to a select group of management or highly compensated Employees. From that group, the Company shall select, in its sole discretion, those individuals who may actually participate in this Plan.

2.2 **Enrollment and Eligibility Requirements; Commencement of Participation.**

- (a) As a condition to participation, each selected Employee shall complete, execute and return to the Company an Election Form, and such Employee also may execute a Beneficiary Designation Form by the deadline(s) established by the Company in accordance with the applicable provisions of this Plan. In addition, the Company shall establish from time to time such other enrollment requirements as it determines, in its sole discretion, are necessary.

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- (b) Each selected Employee who is eligible to participate in the Plan shall commence participation in the Plan on the date that the Company determines that the Employee has met all enrollment requirements set forth in this Plan, including returning all required documents to the Company within the specified time period and in the terms specified by the Company.
 - (c) If an Employee fails to meet all requirements established by the Company within the period required, that Employee shall not be eligible to participate in the Plan during such Plan Year.
- 2.3 **Amendment of Eligibility Criteria.** Eligibility for participation in one year does not guarantee eligibility to participate in a future year. The Committee may, in its discretion, change the criteria for eligibility for any reason, provided however, that it is always limited to a select group of management or highly compensated employees.

ARTICLE 3

Deferrals and Contributions to the Plan/Vesting/Crediting/Taxes

3.1 **Elections to Defer Compensation - General.**

- (a) **Annual Deferral Amount.** For each Plan Year, a Participant may elect to defer (if eligible to receive such compensation), his or her Base Salary, Bonus, LTIP Amounts, RSUs, and/or other designated compensation, to be his or her Annual Deferral Amount; provided however, that the Company may require that in order for a deferral election to be effective, the amount deferred must satisfy minimum and maximum amounts specified by the Company.

Further, a Participant may elect to defer only the portion of any Bonus, LTIP Amount, or other designated compensation that exceeds a specified amount. Notwithstanding the foregoing, Mandatory Deferrals may be less than the minimum and greater than the maximum amounts that may otherwise be specified by the Company for Annual Deferral Amounts to the extent necessary to comply with applicable law, guidance, or Company policies.

- (b) **Short Plan Year.** Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, then to the extent required by Section 3.2 and Code Section 409A and related Treasury Regulations, the minimum and maximum amount of the Participant's Base Salary, Bonus, LTIP Amounts or other designated compensation that may be deferred by the Participant for the Plan Year shall be determined by applying the percentages set forth in Section 3.1(a) to the portion of such compensation attributable to services performed after the date that the Participant's deferral election is made.
- (c) **No Right to Deferrals.** A Participant may elect to defer Base Salary, Bonus, LTIP Amounts, RSUs, and/or other designated compensation only if the Company first provides the Participant the ability to defer any such compensation. If the Company

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has provided the Participant with such a right, this Plan will govern the administration of the deferrals. This Plan does not create any right to defer Base Salary, Bonus, LTIP Amounts, RSUs, and/or other designated compensation that the Company has not granted previously.

3.2 **Timing of Deferral and Payment Elections; Effect of Election Form.**

- (a) **General Timing Rule for Deferral and Payment Elections.** Except as otherwise provided in this Section 3.2, in order for a Participant to (i) make a valid election to defer Base Salary, Bonus, LTIP Amounts, RSUs, and/or other designated compensation; and (ii) make a valid election as to the time and form of payment of such deferrals, the Participant must submit an Election Form on or before the deadline established by the Company, which in no event shall be later than the December 31st preceding the Plan Year in which such compensation will be earned.

Any deferral or payment election for a Plan Year made in accordance with this Section 3.2(a) shall be irrevocable as of December 31 of the preceding Plan Year in which such compensation will be earned; provided, however, that if the Company permits or requires Participants to make a deferral or payment election by the deadline described above for an amount that qualifies as Performance-Based Compensation, the Company may permit a Participant to make an initial deferral or payment election or subsequently change his or her deferral or payment election for such compensation by submitting a new or revised Election Form in accordance with Section 3.2(c) below.

- (b) **Timing of Deferral and Payment Elections for Newly Eligible Plan Participants.** Notwithstanding Section 3.2(a) above, a selected Employee who first becomes eligible to participate in the Plan on or after the beginning of a Plan Year, as determined in accordance with Treas. Reg. §1.409A-2(a)(7)(ii) and the “plan aggregation” rules provided in Treas. Reg. §1.409A-1(c)(2), may be permitted to (i) make an election to defer the portion of Base Salary, Bonus, LTIP Amounts, RSUs, and/or other designated compensation attributable to services to be performed after such election, and (ii) make a valid election as to the time and form of payment of such deferrals, provided that the Participant submits an Election Form on or before the deadline established by the Committee, which in no event shall be later than 30 days after the Participant first becomes eligible to participate in the Plan.

If a deferral election made in accordance with this Section 3.2(b) relates to compensation earned based upon a specified performance period, the amount eligible for deferral shall be equal to (i) the total amount of compensation for the performance period, multiplied by (ii) a fraction, the numerator of which is the number of days remaining in the service period after the Participant’s deferral election is made, and the denominator of which is the total number of days in the performance period.

Any deferral or payment election made in accordance with this Section 3.2(b) shall become irrevocable no later than the 30th day after the date the selected Employee becomes eligible to participate in the Plan.

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- (c) **Timing of Deferral and Payment Elections for Performance-Based Compensation.** Notwithstanding Section 3.2(a) or 3.2(b) above, and subject to the limitations described below, the Company may determine that a deferral or payment election for an amount that qualifies as Performance-Based Compensation may be made by submitting an Election Form on or before the deadline established by the Company, and such election shall become irrevocable no later than 6 months before the end of the performance period.

In order for a Participant to be eligible to make a deferral or payment election for Performance-Based Compensation in accordance with the deadline established pursuant to this Section 3.2(c), (i) the performance criteria must relate to a performance period of at least 12 consecutive months, and (2) the Participant must have performed services continuously from the later of (i) the beginning of the performance period for such compensation, or (ii) the date upon which the performance criteria for such compensation are established, through the date upon which the Participant makes the deferral or payment election for such compensation. In no event shall a deferral or payment election submitted under this Section 3.2(c) be permitted to apply to any amount of Performance-Based Compensation that has become readily ascertainable.

- (d) **Timing Rule for Deferral of Compensation Subject to Risk of Forfeiture (e.g. certain RSUs).** With respect to compensation (i) to which a Participant has a legally binding right to payment in a subsequent year, and (ii) that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right, the Company may determine that an irrevocable deferral or payment election for such compensation may be made by timely delivering an Election Form to the Committee in accordance with its rules and procedures, no later than the 30th day after the Participant obtains the legally binding right to the compensation, provided that the election is made at least 12 months in advance of the earliest date at which the forfeiture condition could lapse, as determined in accordance with Treas. Reg. §1.409A-2(a)(5).

Any election(s) made in accordance with this Section 3.2(d) shall become irrevocable no later than the 30th day after the Participant obtains the legally binding right to the compensation subject to such election(s).

- 3.3 **Withholding and Crediting of Annual Deferral Amounts.** For each Plan Year, the Base Salary portion of the Annual Deferral Amount shall be withheld from each regularly scheduled Base Salary payroll in equal amounts, as adjusted from time to time for increases and decreases in Base Salary. The Bonus, LTIP Amounts, RSUs, (and any other designated compensation) portion of the Annual Deferral Amount shall be withheld at the time the Bonus, Commissions, LTIP Amounts, RSUs, and other compensation are or otherwise would be paid to the Participant, whether or not this occurs during the Plan Year itself. Annual Deferral Amounts shall be credited to the Participant's Annual Account for such Plan Year at the time such amounts would otherwise have been paid to the Participant.

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3.4 **Company Contribution Amount.**

- (a) For each Plan Year, an Employer may credit amounts to a Participant's Annual Account in accordance with employment or other agreements entered into between the Participant and the Employer, which amounts shall be part of the Participant's Company Contribution Amount for that Plan Year. Such amounts shall be credited to the Participant's Annual Account in cash for the applicable Plan Year on the date or dates prescribed by such agreements.
- (b) For each Plan Year, an Employer, in its sole discretion, may, but is not required to, credit any amount it desires in cash to any Participant's Annual Account under this Plan, which amount shall be part of the Participant's Company Contribution Amount for that Plan Year. The amount so credited to a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be zero, even though one or more other Participants receive a Company Contribution Amount for that Plan Year. The Company Contribution Amount described in this Section 3.4(b), if any, shall be credited to the Participant's Annual Account for the applicable Plan Year on a date or dates to be determined by the Committee.
- (c) If not otherwise specified in the Participant's employment or other agreement entered into between the Participant and the Employer, the amount (or the method or formula for determining the amount) of a Participant's Company Contribution Amount shall be set forth in writing in one or more documents, which shall be deemed to be incorporated into this Plan, no later than the date on which such Company Contribution Amount is credited to the applicable Annual Account of the Participant.

3.5 **Vesting.**

- (a) A Participant shall at all times be 100% vested in the portion of his or her Account Balance attributable to Annual Deferral Amounts, plus amounts credited or debited on such amounts pursuant to Section 3.6.
- (b) A Participant shall be vested in the portion of his or her Account Balance attributable to any Company Contribution Amounts, plus amounts credited or debited on such amounts pursuant to Section 3.6, in accordance with the vesting schedule(s) set forth in his or her employment agreement or any other agreement entered into between the Participant and his or her Employer. If not addressed in such agreements, a Participant shall vest in the portion of his or her Account Balance attributable to any Company Contribution Amounts, plus amounts credited or debited on such amounts pursuant to Section 3.6, in accordance with the following schedule:

Years of Plan Participation	Vested Percentage
Less than 1 year	0%
At least 1 year but less than 2 years	33%
At least 2 years but less than 3 years	66%
At least 3 years	100%

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- (c) Notwithstanding anything to the contrary contained in this Section 3.5, in the event of a Change in Control, upon a Participant's Separation from Service on or after qualifying for Retirement, or death prior to Separation from Service, any amounts that are not vested in accordance with Section 3.5(b) above, shall immediately become 100% vested.
- (d) Notwithstanding subsection 3.5(c) above, the Company has the discretion not to accelerate the vesting provisions described in Section 3.5(b) upon a Change in Control to the extent that the Company determines that such acceleration would cause the deduction limitations of Section 280G of the Code to become effective. In the event of such a determination, the Company and Participant may agree to an appropriate method to verify the Company's calculations with respect to the application of Section 280G.
- (e) Section 3.5(d) shall not prevent the acceleration of the vesting provisions described in Section 3.5(b) if such Participant is entitled to a "gross-up" payment, to eliminate the effect of the Code section 4999 excise tax, pursuant to his or her employment agreement or other agreement entered into between such Participant and the Employer.
- (f) If a Participant's Account Balance has been credited with any Mandatory Deferral that is subject to a vesting period (as set forth by the Company in accordance with the applicable plan under which the amount of the Mandatory Deferral was earned), and the Participant terminates service with the Company for any reason prior to meeting the vesting requirements for such Mandatory Deferral, then that portion of the Mandatory Deferral that is not vested, and the earnings on such nonvested portion, shall be forfeited and deducted from the Participant's Account Balance.

3.6 **Crediting/Debiting of Account Balances.** In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, Company, or trustee of the Trust, in its sole discretion, amounts shall be credited or debited to a Participant's Account Balance in accordance with the following rules:

- (a) **Investment Funds.** Unless otherwise determined by the Committee, the Participant may elect one or more of the Investment Funds provided by the Company, in its sole discretion but under general direction from the Committee, for the purpose of crediting or debiting additional amounts to his or her Account Balance. As necessary, the Company may, in its sole discretion, discontinue, substitute or add an Investment Fund. Each such action will take effect on such date established by the Company. One of the Investment Funds may include a Company common stock fund. For purposes of such a common stock fund, all dividend equivalents payable in relation to common stock will be credited to the Participant's Account Balance in the form of additional whole or fractional shares of common stock.
- (b) **Election of Investment Funds.** A Participant, in connection with his or her initial deferral election in accordance with Section 3.2 above, shall elect, on the Election Form, one or more Investment Fund(s) to be used to determine the amounts to be credited or debited to his or her Account Balance. If a Participant does not elect any of the Investment Funds as described in the previous sentence, the Participant's

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Account Balance shall automatically be allocated into the lowest-risk Investment Fund, as determined by the Company, in its sole discretion. The Participant may (but is not required to) elect, by submitting an Election Form to the Company that is accepted by the Company, to add or delete one or more Investment Fund(s) to be used to determine the amounts to be credited or debited to his or her Account Balance, or to change the portion of his or her Account Balance allocated to each previously or newly elected Investment Fund. If an election is made in accordance with the previous sentence, it shall apply as of the first business day deemed reasonably practicable by the Company, in its sole discretion, and shall continue thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the previous sentence. Notwithstanding the foregoing, the Company, in its sole discretion, may impose limitations on the frequency with which one or more of the Investment Funds elected in accordance with this Section 3.6(b) may be added or deleted by such Participant; furthermore, the Company, in its sole discretion, may impose limitations on the frequency with which the Participant may change the portion of his or her Account Balance allocated to each previously or newly elected Investment Fund.

- (c) **Proportionate Allocation.** In making any election described in Section 3.6(b) above, the Participant shall specify on the Election Form, in increments specified by the Company, the percentage of his or her Account Balance or Investment Fund, as applicable, to be allocated/reallocated.
 - (d) **Crediting or Debiting Method.** The performance of each Investment Fund (either positive or negative) will be determined on a daily basis based on the manner in which such Participant's Account Balance has been hypothetically allocated among the Investment Funds by the Participant.
 - (e) **No Actual Investment.** Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Investment Funds are to be used for measurement purposes only, and a Participant's election of any such Investment Fund, the allocation of his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance shall not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Investment Fund. In the event that the Company or the trustee of the Trust, in its own discretion, decides to invest funds in any or all of the investments on which the Investment Funds are based, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall at all times remain an unsecured creditor of the Company.
- 3 . 7 **Corporate Transactions.** In the event that the Company determines that any recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of common stock or other securities of the Company, issuance of warrants or other rights to purchase common stock or other securities of the Company, or other similar corporate transactions or events affects the common stock, an appropriate adjustment to the Participant's Account

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Balance shall be made to prevent reduction or enlargement of the Participant's benefits under the Plan.

3.8 **FICA and Other Taxes.**

- (a) **Annual Deferral Amounts.** For each Plan Year in which an Annual Deferral Amount is being withheld from a Participant, the Participant's Employer(s) shall withhold from that portion of the Participant's Base Salary, Bonus, LTIP Amounts, RSUs and/or other designated compensation that is not being deferred, in a manner determined by the Employer(s), the Participant's share of FICA, federal, state, local, and other applicable taxes on such Annual Deferral Amount that is required to be withheld. If necessary, the Company may reduce the Annual Deferral Amount in order to comply with this Section 3.7(a). If necessary, the Company may reduce the Annual Deferral Amount to provide for deferrals under the Supplemental Stock Purchase Plan, the Supplemental Retirement Income Plan, or other nonqualified plans.
- (b) **Distributions.** The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer(s) and the trustee of the Trust.
- (c) **Annual Elections.** To the extent permitted by the Company, a Participant may be able to complete a separate Election Form for each year's Annual Deferral Amount. If permitted by the Company, on each such Election Form, a Participant may elect to defer a different Annual Deferral Amount from what was deferred on a previous Election Form and choose a different time and form of payment for that year's Annual Deferral Amount from what was selected on a previous Election Form, provided that such times and forms of payment are made in accordance with Article 4. If no Election Form is submitted for a particular year's Annual Deferral Amount, then the Participant shall be deemed not to have made an election to defer compensation for that year.

- 3.9 **Mandatory Deferrals.** The amount of any Mandatory Deferral shall be established in accordance with the timing rules set forth in this Plan for Participants to complete an Election Form, or at any later time permitted under Code Section 409A. In general, Mandatory Deferrals shall be subject to the terms of this Plan. Notwithstanding the foregoing, the Company, in accordance with the applicable plan under which the Mandatory Deferral was earned, shall determine the vesting schedule, if any, that applies to the Mandatory Deferral and whether the Mandatory Deferral is subject to any investment restrictions. Mandatory Deferrals shall be credited to a Participant's Annual Account as soon as practicable after the amounts otherwise would have been paid to the Participant.

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ARTICLE 4 Distributions of Benefits

4.1 **Distributions/Events Generally.** Participants generally will not be entitled to receive a distribution of their Account Balance until they experience a Separation from Service with the Employer for any reason. A Participant may receive a distribution before Separation from Service, however, in accordance with this Article 4, upon (1) an Unforeseeable Emergency that occurs before Separation from Service, or (2) a year (or years) that has been designated by the Participant in an Election Form and that occurs before Separation from Service. Any portions of the Account Balance hypothetically invested in a Company common stock fund also will be paid in the form of common stock. All other portions of the Account Balance will be paid in the form of cash. Participants also may elect the form of payment of different deferred amounts in accordance with Article 4 of this Plan. Payment elections shall be made, and become irrevocable, coincident with the deferral election timing requirements under Section 3.2 of this Plan.

4.2 **In-Service Distributions.**

(a) **General Payments.** A Participant may elect, in his or her Election Form for each Plan Year, to receive the portion of his or her Account Balance elected to be distributed as an In-Service Distribution and all amounts credited or debited thereto, in a specified year while employed with an Employer (an "In-Service Distribution"). The Participant may receive such an In-Service Distribution in the amount specified on his or her Election Form as a lump sum or installments, pursuant to the Annual Installment Method over a period not to exceed 5 years.

If a Participant elects to receive an In-Service Distribution as a lump sum, payment shall be made on the last Business Day of the month in which the In-Service Distribution has been elected, or such later date permitted under Code Section 409A and the guidance thereunder. The amount of the lump sum payment will be the value of the Participant's Account Balance as of the Business Day that is coincident with or immediately preceding the payment date. If payment of a Participant's Account Balance is to be made to the Participant in annual installments, the distribution of the first annual installment payment shall be made on the last Business Day of the month in which the In-Service Distribution has been elected, or such later date permitted under Code Section 409A and the guidance thereunder. Each subsequent installment payment generally shall be paid on each anniversary of the initial payment date, or if such date is not a Business Day, the first Business Day after the applicable anniversary date. The amount of such subsequent installment payments shall be determined in accordance with the Annual Installment Method described in Section 1.4.

(b) **Modifying In-Service Distributions.** The Company, in its discretion, may allow a Participant to modify his or her election as to the form or time of distribution of the portion of his or her Account Balance elected to be paid in an In-Service Distribution in a specified year and earnings thereon, if (1) such election does not take effect until at least 12 months after the date on which the election is made, (2) the first payment with respect to which such election is made is deferred for a period of not less than

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five (5) years from the date on which such payment would otherwise have been made, and (3) any election related to a payment to be made at a specified date is made at least 12 months prior to the date of the first scheduled payment. For purposes of the Plan, the term “payment” means each separate installment and not the collective group of installment payments.

- (c) Precedence of Distributions. In the event a Participant has a Separation from Service, Unforeseeable Emergency, or other event that triggers distribution of benefits under this Plan, all amounts subject to an In-Service Distribution shall be paid in accordance with other applicable provisions of the Plan and not under this Section 4.2. If, however, a Participant made an election to postpone an In-Service Distribution under Section 4.2(b), and the Participant experiences a Separation from Service, the distribution will be made in accordance with Section 4.2(b) and not Section 4.3.

For purposes of applying the provisions of this Section 4.2, a Participant’s election to postpone a Scheduled Distribution shall not be considered to be made until the date on which the election becomes irrevocable. Such an election shall become irrevocable no later than the date that is 12 months prior to the previous date of the first scheduled payment of the Participant’s Account Balance.

4.3 Distributions After Separation from Service

- (a) Generally. If a Participant experiences a Separation from Service with an Employer, the provisions of this Section 4.3 shall apply to the distribution of the Participant’s Account Balance. The Participant may elect, in his or her Election Form for each Plan Year to receive such benefits payable upon a Separation from Service as a lump sum or installments, pursuant to the Annual Installment Method over a period not to exceed 15 years, or a combination of the lump sum and installments as described in this Plan. If no election is made as to the form of payment, then payment shall be made as a lump sum.
- (b) Lump Sum. If payment of a Participant’s Account Balance is to be made to the Participant in a lump sum, the lump sum payment generally shall be made on (i) the last Business Day of the month after the month in which the Participant incurred a Separation of Service, for a Participant who is not a Specified Employee, (ii) the last Business Day of the sixth (6th) month after the month in which the Participant experiences a Separation from Service, unless due to such Participant’s death, in which case payment generally shall be made to the Beneficiary at the time provided in Section 5.2 of this Plan, for a Participant who is a Specified Employee; or (iii) such later date permitted under Code Section 409A and the guidance and regulations thereunder. The amount of the lump sum payment will be the value of the Participant’s Account Balance as of the Business Day that is coincident with or immediately preceding the payment date.
- (c) Installments. If payment of a Participant’s Account Balance is to be made to the Participant in annual installments, the distribution of the first annual installment payment generally shall be made on (i) the last Business Day of the month after the month in which the Participant incurred a Separation of Service, for a Participant who is not a Specified Employee, (ii) the last Business Day of the sixth (6th) month after

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the month in which the Participant experiences a Separation from Service, unless due to such Participant's death, in which case payment generally shall be made to the Beneficiary at the time provided in Section 5.2 of this Plan, for a Participant who is a Specified Employee; or (iii) such later date permitted under Code Section 409A and the guidance and regulations thereunder. Each subsequent installment payment generally shall be paid on each anniversary of the initial payment date, or if such date is not a Business Day, the first Business Day after the applicable anniversary date. The amount of such subsequent installment payments shall be determined in accordance with the Annual Installment Method described in Section 1.4.

- (d) **Combination Lump Sum and Installments.** If a payment of a Participant's Account Balance is to be made to the Participant in a combination of a lump sum and annual installments, the distribution of the lump sum generally shall be made at the time, and valued in the manner, provided in subsection (b) above. Each subsequent installment payment generally shall be paid at the time, and valued in the manner, provided in subsection (c) above, consistent with the Annual Installment Method described in Section 1.4.
- (e) **Modifying Separation from Service Distributions.** The Employer, in its discretion, may allow a Participant to modify his election as to the form or time of distribution of his entire Account Balance, and earnings thereon, if (1) such election does not take effect until at least 12 months after the date on which the election is made, (2) the first payment with respect to which such election is made is deferred for a period of not less than 5 years from the date on which such payment would otherwise have been made, and (3) such election is made at least 12 months before the first scheduled payment of the Participant's Account Balance. For purposes of the Plan, the term "payment" means each separate installment and not the collective group of installment payments.

4.4 **Unforeseeable Emergency.** Upon finding that a Participant has suffered an Unforeseeable Emergency, the Committee may, in its sole discretion, make distributions from the Participant's Account Balance and/or allow a Participant to suspend the elections made on his or her Election Form entirely. The amount of such distribution shall be limited to the amount necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). Any distribution pursuant to this Section 4.4 shall be payable in a lump sum. The distribution shall be paid within 30 days after the determination of an Unforeseeable Emergency.

4.5 **Automatic Cash-Out.** In the event a Participant's Account Balance at the time distribution begins, or following a distribution or an installment payment, is two times the then current limit under Code Section 402(g) or less, that balance shall be paid to the Participant or his Beneficiary in a lump sum on the next annual installment distribution date notwithstanding any form of benefit payment elected by the Participant.

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- 4.6 **Withholding for Taxes.** To the extent required by the law in effect at the time payments are made, an Employer shall withhold from the payments made hereunder any taxes required to be withheld by the federal or any state or local government, including any amounts which the Employer determines is reasonably necessary to pay any generation-skipping transfer tax which is or may become due. A Beneficiary, however, may elect not to have withholding of federal income tax to the extent permitted by applicable law and approved by the Company.
- 4.7 **Payment to Guardian.** The Committee may direct payment to the duly appointed guardian, conservator or other similar legal representative of a Participant or Beneficiary to whom payment is due. In the absence of such a legal representative, the Committee may, in its sole and absolute discretion, make payment to a person having the care and custody of a minor, an incompetent or a person incapable of handling the disposition of property upon proof satisfactory to the Committee of incompetency, status as a minor, or incapacity. Such distribution shall completely discharge the Company from all liability with respect to such benefit.
- 4.8 **Payment of Mandatory Deferrals.** Notwithstanding any provision of the Plan to the contrary, the vested portion of a Participant's Account Balance attributable to a Mandatory Deferral shall be paid at the time and in the form provided in accordance with the applicable plan under which the amount of the Mandatory Deferral was earned. The Company may, but is not required to, allow a Participant to complete an Election Form in accordance with the rules set forth in this Plan to elect an alternative time or form of payment.

ARTICLE 5

Death Benefit

- 5.1 **Death Benefit.** In the event of a Participant's death prior to the complete distribution of his or her vested Account Balance, the Participant's Beneficiary(ies) shall receive the Participant's unpaid vested Account Balance in a lump sum payment (the "Death Benefit"). The Death Benefit shall be calculated as of the close of business on the date on which the Company is provided with proof that is satisfactory to the Company of the Participant's death.
- 5.2 **Payment of Death Benefit.** The Death Benefit shall be paid to the Participant's Beneficiary(ies) no later than 60 days after the date described in subsection 5.1 above.

ARTICLE 6

Beneficiary Designation

- 6.1 **Beneficiary.** Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.

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- 6.2 **Beneficiary Designation; Change; Spousal Consent.** A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Company or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Company's rules and procedures, in effect from time to time. If the Participant names someone other than his or her spouse as a Beneficiary, the Company may, in its sole discretion, determine that spousal consent is required to be provided in a form designated by the Company, executed by such Participant's spouse and returned to the Company. Upon the acceptance by the Company of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Company shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Company prior to his or her death.
- 6.3 **Acknowledgment.** No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Company or its designated agent.
- 6.4 **No Beneficiary Designation.** If a Participant fails to designate a Beneficiary as provided in Sections 6.1, 6.2 and 6.3 above or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the executor or personal representative of the Participant's estate.
- 6.5 **Doubt as to Beneficiary.** If the Company has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Company shall have the right, exercisable in its discretion, to cause the Participant's Employer to withhold such payments until this matter is resolved to the Company's satisfaction.
- 6.6 **Discharge of Obligations.** The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Company from all further obligations under this Plan with respect to the Participant.

ARTICLE 7 **Leave of Absence**

- 7.1 **Paid Leave of Absence.** If a Participant is authorized by the Participant's Employer to take a paid leave of absence from the employment of the Employer, and such leave of absence does not constitute a Separation from Service, (a) the Participant shall continue to be considered eligible for the benefits provided under the Plan, and (b) the Annual Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.2.
- 7.2 **Unpaid Leave of Absence.** If a Participant is authorized by the Participant's Employer to take an unpaid leave of absence from the employment of the Employer for any reason, and such leave of absence does not constitute a Separation from Service, such Participant

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shall continue to be eligible for the benefits provided under the Plan. During the unpaid leave of absence, the Participant shall not be allowed to make any additional deferral elections. However, if the Participant returns to employment, the Participant may elect to defer an Annual Deferral Amount for the Plan Year following his or her return to employment and for every Plan Year thereafter while a Participant in the Plan, provided such deferral elections are otherwise allowed and an Election Form is delivered to and accepted by the Committee for each such election in accordance with Section 3.2 above.

ARTICLE 8

Change in Control

If the Company determines that it is probable that a Change in Control may occur within the 6-month period immediately following the date the Company made such a determination, or if a Change in Control in fact occurs in those situations where the Company has not otherwise made such a determination, the Company shall make a contribution to the Trust (if in existence at the date of determination or the date of the Change in Control, as the case may be) in accordance with the provisions of the Trust. Solely, for purposes of determining the amount of such contribution (but in no way limiting the Company's liability under the Plan as determined under the provision of the Plan), the Company's total liability under the Plan shall be equal to the value of all Account Balances established under the Plan, which remain unpaid by the Company as of the date of determination or the date of the Change in Control, as the case may be, whether or not amounts are otherwise currently payable to the Participants or Beneficiaries under the Plan. All such contributions shall be made as soon as possible after the date of determination or of the Change of Control, as the case may be, and shall be made in cash or common stock of the Company. Further, the Company may, in its discretion, make other contributions to the Trust from time-to-time for purposes of providing benefits hereunder, whether or not a Change in Control has occurred or may occur.

ARTICLE 9

Termination of Plan, Amendment or Modification

9.1 **Termination of Plan.** The Committee reserves the right to terminate the Plan with respect to all Participants, including Participants of a participating employer. In the event of a Plan termination no new deferral elections shall be permitted for the affected Participants. However, after the Plan termination the Account Balances of such Participants shall continue to be credited with Annual Deferral Amounts attributable to a deferral election that was in effect prior to the Plan termination to the extent deemed necessary to comply with Code Section 409A and related Treasury Regulations, and additional amounts shall continue to be credited or debited to such Participants' Account Balances pursuant to Section 3.6. The Investment Funds available to Participants following the termination of the Plan shall be comparable in number and type to those Investment Funds available to Participants in the Plan Year preceding the Plan Year in which the Plan termination is effective. In addition, following a Plan termination, Participant Account Balances shall remain in the Plan and shall not be distributed until such amounts become eligible for distribution in accordance with the other applicable provisions of the Plan. Notwithstanding the preceding sentence, to the extent permitted by Treas. Reg. §1.409A-3(j)(4)(ix), the Employer may provide that upon termination of

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the Plan, all Account Balances of the Participants shall be distributed, subject to and in accordance with any rules established by such Employer deemed necessary to comply with the applicable requirements and limitations of Treas. Reg. §1.409A-3(j)(4)(ix).

- 9.2 **Amendment.** The Committee may, at any time, amend or modify the Plan in whole or in part. Notwithstanding the foregoing, (i) no amendment or modification shall be effective to decrease the value of a Participant's vested Account Balance in existence at the time the amendment or modification is made, and (ii) no amendment or modification of this Section 9.2 or Section 10.2 of the Plan shall be effective.
- 9.3 **Effect of Payment.** The full payment of the Participant's vested Account Balance in accordance with the applicable provisions of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under this Plan.

ARTICLE 10 **Administration**

- 10.1 **Administrative Duties.** Except as otherwise provided in this Article 10, this Plan shall be administered by the Company, which from time to time will provide a report summarizing the administration of this Plan to the Committee. Both the Committee and the Company shall also have the discretion and authority to interpret the Plan, to prescribe, amend and rescind any rules, forms and procedures as it deems necessary or appropriate for the proper administration of the Plan and to make any other determinations, including factual determinations, and take such other actions as it deems necessary or advisable in carrying out its duties under the Plan. The Company may seek from the Committee final resolution of any ambiguous or unresolved issue that arises in the administration of the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee or Company, as applicable, shall be entitled to rely on information furnished by a Participant or an Employer.
- 10.2 **Administration Upon Change In Control.** Within 120 days following a Change in Control, the Committee immediately prior to the Change in Control (whether or not such individuals are members of the Committee following the Change in Control) may, by written consent of the majority of such individuals, appoint an independent third party administrator (the "Administrator") to perform any or all of the Company's duties described in Section 10.1 above, including without limitation, the power to determine any questions arising in connection with the administration or interpretation of the Plan, and the power to make benefit entitlement determinations. Upon and after the effective date of such appointment, (a) the Company must pay all reasonable administrative expenses and fees of the Administrator, and (b) the Administrator may only be terminated with the written consent of the majority of Participants with an Account Balance in the Plan as of the date of such proposed termination.
- 10.3 **Agents.** In the administration of this Plan, the Company or the Administrator, as applicable, may, from time to time, employ agents or third party administrators and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel.

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- 10.4 **Binding Effect of Decisions.** The decision or action of the Committee, Company or Administrator, as applicable, with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.
- 10.5 **Indemnity of Company.** The Company shall indemnify and hold harmless any Employee to whom the duties of the Company may be delegated, and the Administrator against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by any such Employee or the Administrator.
- 10.6 **Employer Information.** To enable the Company and/or Administrator to perform its functions, the Company and each Employer shall supply full and timely information to the Company and/or Administrator, as the case may be, on all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the compensation of its Participants, the date and circumstances of the Separation from Service, Disability or death of its Participants, and such other pertinent information as the Company or Administrator may reasonably require.

ARTICLE 11 **Other Benefits and Agreements**

- 11.1 **Coordination with Other Benefits.** The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

ARTICLE 12 **Claims Procedures**

- 12.1 **Presentation of Claim.** Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Company a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.
- 12.2 **Notification of Decision.** The Company shall consider a Claimant's claim within a reasonable time, but no later than 90 days after receiving the claim. If the Company determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 90 day period. In no event shall such extension exceed a period

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of 90 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Company expects to render the benefit determination. The Company shall notify the Claimant in writing:

- (a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or
- (b) that the Company has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:
 - (i) the specific reason(s) for the denial of the claim, or any part of it;
 - (ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
 - (iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary;
 - (iv) an explanation of the claim review procedure set forth in Section 12.3 below; and
 - (v) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

12.3 **Review of a Denied Claim.** On or before 60 days after receiving a notice from the Company that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Company a written request for a review of the denial of the claim. The Claimant (or the Claimant's duly authorized representative):

- (a) may, upon request and free of charge, have reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claim for benefits;
- (b) may submit written comments or other documents; and/or
- (c) may request a hearing, which the Company, in its sole discretion, may grant.

12.4 **Decision on Review.** The Company shall render its decision on review promptly, and no later than 60 days after the Company receives the Claimant's written request for a review of the denial of the claim. If the Company determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 60 day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Company expects to render the benefit determination. In rendering its decision, the Company shall take into account all comments, documents,

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records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

- (a) specific reasons for the decision;
- (b) specific reference(s) to the pertinent Plan provisions upon which the decision was based;
- (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits; and
- (d) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a).

The Company has the right, but not the obligation, to confer with the Committee concerning any appeal.

- 12.5 **Legal Action.** A Claimant's compliance with the foregoing provisions of this Article 12 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.

ARTICLE 13

Trust

- 13.1 **Establishment of the Trust.** In order to provide assets from which to fulfill its obligations to the Participants and their Beneficiaries under the Plan, the Company, unless otherwise specified by the Company, has established or may establish a rabbi trust in accordance with Revenue Procedure 92-64, to which each Employer may, in its discretion, contribute cash or other property, including securities issued by the Company, to provide for the benefit payments under the Plan (the "Trust").
- 13.2 **Interrelationship of the Plan and the Trust.** The provisions of the Plan and the Participant's Election Form shall govern the rights of a Participant to receive distributions pursuant to the Plan. If a Participant's Election Form could be construed to be in contradiction of or different from the terms of the Plan, the Plan controls. The provisions of the Trust shall govern the rights of the Employers, Participants and the creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.
- 13.3 **Distributions From the Trust.** Each Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Plan.

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ARTICLE 14 **Miscellaneous**

- 14.1 **Status of Plan.** The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that “is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted (a) to the extent possible in a manner consistent with the intent described in the preceding sentence, and (b) in accordance with Code Section 409A and related Treasury guidance and Regulations.
- 14.2 **Unsecured General Creditor.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. For purposes of the payment of benefits under this Plan, any and all of an Employer's assets shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.
- 14.3 **Employer's Liability.** An Employer's liability for the payment of benefits shall be defined only by the Plan. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan.
- 14.4 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise, except as provided in Section 14.15 of this Plan regarding domestic relations orders.
- 14.5 **Not a Contract of Employment.** The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such employment is hereby acknowledged to be an “at will” employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer as an Employee or to interfere with the right of any Employer to discipline or discharge the Participant at any time.
- 14.6 **Furnishing Information.** A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder.

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- 14.7 **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.
- 14.8 **Captions.** The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 14.9 **Governing Law.** Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of Delaware without regard to its conflicts of laws principles.
- 14.10 **Notice.** Any notice or filing required or permitted to be given to the Committee or Company under this Plan shall be sufficient if in writing and hand-delivered, sent by registered or certified mail, or sent electronically, to the individual or address below:
- Huntington Bancshares Incorporated
Attn: Compensation Director
41 South High Street
Columbus, Ohio 43215
- Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.
- Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.
- 14.11 **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.
- 14.12 **Spouse's Interest.** The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.
- 14.13 **Validity.** In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.
- 14.14 **Incompetent.** If the Company determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Company may direct payment of such benefit to the guardian, legal representative or person having the care and custody of

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such minor, incompetent or incapable person. The Company may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

- 14.15 **Domestic Relations Orders.** If necessary to comply with a domestic relations order, as defined in Code Section 414(p)(1)(B), pursuant to which a court has determined that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan, the Committee shall have the right to immediately distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to such spouse or former spouse.
- 14.16 **Distribution in the Event of Income Inclusion Under Code Section 409A.** If any portion of a Participant's Account Balance under this Plan is required to be included in income by the Participant prior to receipt due to a failure of this Plan to comply with the requirements of Code Section 409A and related Treasury Regulations, the Committee may determine that such Participant shall receive a distribution from the Plan in an amount equal to the lesser of (i) the portion of his or her Account Balance required to be included in income as a result of the failure of the Plan to comply with the requirements of Code Section 409A and related Treasury Regulations, or (ii) the unpaid vested Account Balance.
- 14.17 **Deduction Limitation on Benefit Payments.** If an Employer reasonably anticipates that the Employer's deduction with respect to any distribution from this Plan would be limited or eliminated by application of Code Section 162(m), then to the extent permitted by Treas. Reg. §1.409A-2(b)(7)(i), payment shall be delayed as deemed necessary to ensure that the entire amount of any distribution from this Plan is deductible. Any amounts for which distribution is delayed pursuant to this Section shall continue to be credited/debited with additional amounts in accordance with Section 3.6. The delayed amounts (and any amounts credited thereon) shall be distributed to the Participant (or his or her Beneficiary in the event of the Participant's death) at the earliest date the Employer reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Code Section 162(m). In the event that such date is determined to be after a Participant's Separation from Service and the Participant to whom the payment relates is determined to be a Specified Employee, then to the extent deemed necessary to comply with Treas. Reg. §1.409A-3(i)(2), the delayed payment shall not be made before the end of the six-month period following such Participant's Separation from Service.
- 14.18 **Permitted Delays for Potential Federal Securities Laws or Other Violations.** Notwithstanding any provision of the Plan to the contrary, any payment to a Participant under the Plan shall be delayed where the Company reasonably anticipates that making such payment will violate Federal securities laws or other applicable law; provided that any payment that is delayed under this section shall be made at the earliest date at which the Company reasonably anticipates that the making of the payment will not cause a violation of Federal securities laws or other applicable law.

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- 14.19 **Forfeiture.** Federal law and regulations (including but not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act and any guidance thereunder) may impose restrictions or penalties on the ability of the Company to pay certain amounts deferred under this Plan. The Company also has established recoupment policies under which employees of the Company must forfeit amounts of compensation previously earned if the Company later learns of wrongdoing on the part of the employee. Notwithstanding any provision of the Plan to the contrary, to the extent necessary to comply with any such law or regulation, or to the extent necessary to comply with any other forfeiture or recoupment policy of the Company, the Company may reduce the amount of a Participant's Account Balance or take such other actions that the Company deems necessary. In such an event, the Company shall not have any liability for such reduction in the Participant's Account Balance.
- 14.20 **Compliance with Code Section 409A.** To the extent that rights or payments under this Plan are subject to Code Section 409A, this Plan shall be interpreted and administered in compliance with the conditions of Code Section 409A and the regulations and guidance thereunder. Any deferral or payment election that would not comply with Code Section 409A's requirements shall not be effective. To the extent that a provision of this Plan does not comply with Code Section 409A, such provision shall be void and without effect. If an Employer unintentionally fails to operate this Plan or follow the terms of this Plan in such a way that is not compliant with Code Section 409A, the Employer may take any steps necessary to correct the error, as provided in Internal Revenue Service guidance for correcting operational and document errors, or other applicable guidance.

Neither the Company nor any Employer represent or warrant that this Plan and any Election Form comply with Code Section 409A with respect to any Participant, deferral, or payment. In no event shall the Company, any Employer, any director, officer, or employee of any Employer (other than the Participant), or any member of the Committee be liable for any additional tax, interest, or penalty incurred by a Participant or Beneficiary as a result of this Plan's failure to satisfy the requirements of Code Section 409A, or as a result of this Plan's failure to satisfy any other requirements of applicable tax law.

HUNTINGTON BANCSHARES INCORPORATED

December 13, 2020

Gary Torgow
(at the address on file with
TCF Financial Corporation)

Dear Gary:

This letter (this "Letter Agreement") memorializes our recent discussions and agreement concerning your continuing role as an advisor to Huntington Bancshares Incorporated (the "Company") following the completion of the merger (the "Merger") contemplated by the Agreement and Plan of Merger between TCF Financial Corporation ("TCF") and the Company, dated as of December 13, 2020 (the "Merger Agreement"). If the Closing does not occur or if your employment with TCF terminates for any reason before the Closing Date, this Letter Agreement will be null and void *ab initio* and of no further force and effect. All capitalized terms that are not defined in this Letter Agreement will have the meanings ascribed to such terms in the Merger Agreement.

1. Termination of Employment; Advisory Services

At the Effective Time of the Merger, your employment with TCF and TCF National Bank will terminate. From the Effective Time until the third anniversary of the Closing Date (the "Term"), you agree to serve as an advisor to the Company and provide the advisory services as may be reasonably requested by the Chief Executive Officer of the Company, including those forth on the attached **Schedule A** (the "Services"). Your principal work location will be at the Company's office identified below, but you may perform the services elsewhere as you reasonably determine from time to time.

2. Advisory Fee; Other Benefits and Expenses

On the Closing Date, you will be entitled to receive a lump sum cash payment of \$3.25 million as consideration for the Services and the restrictive covenants set forth in Section 4 below, payable within ten (10) days of such date. During the Term, you will be paid an annual advisory fee equal to (1) \$3.25 million for each of the first two 12-month periods following the Closing Date and (2) \$2.75 million for the third 12-month period following the Closing Date (the amount for each such 12-month period referred to herein as the "Advisory Fee" and all such amounts referred to herein as the "Advisory Fees"). Each such 12-month period will be referred to herein as an "Annual Period". During the Term, the Advisory Fee will be payable annually in arrears on the applicable anniversary of the Closing Date, and you acknowledge and agree that you will be solely responsible for the payment of all federal, state, local, and foreign taxes that are required by applicable laws or regulations to be paid with respect to all compensation and benefits payable or provided to you during the Term with respect to your services hereunder (including all amounts in this Section 2, but excluding the amounts under Section 3, which will be subject to withholding by the Company).

During the Term, you will be entitled to (1) continued use of the executive office in the Company's primary location in Downtown Detroit that is available for your use as of immediately prior to the Effective Time, (2) a dedicated executive assistant, (3) continued use of a dedicated driver for security purposes, and (4) continued access for non-personal travel on TCF's Flexjet on the same basis as applied prior to the Effective Time (collectively, the "Other Benefits"). The Company will also reimburse your reasonable and documented business and travel expenses incurred in connection with your

performance of the Services, in each case, in accordance with the Company's business and travel reimbursement policies applicable to senior executives of the Company as in effect from time to time. The Advisory Fees and the Other Benefits will be the sole remuneration that you receive with respect to the Services and any other services to the Company or its affiliates following the Effective Time in any capacity, including for your service to the Foundation.

The Company and you confirm that it is currently expected that your duties as an advisor will not exceed twenty percent (20%) of the average level of bona fide services performed by you during your employment with TCF during the 36-month period immediately preceding the Closing Date, consistent with the parties' intent that your termination of employment upon the Closing Date will constitute a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (including the applicable regulations thereunder) ("Section 409A").

3. Preexisting Entitlements

You and the Company agree that your termination of employment upon the Closing will be deemed a Change in Control Termination (within the meaning of the Executive Employment Agreement between you and TCF, dated as of December 13, 2020 (your "Existing Agreement")), and, subject to the timely execution and effectiveness of the Release (as defined in the Existing Agreement) consistent with Section 8 thereof, you will be entitled to receive the severance and other benefits under Section 7(c)(i) and Section 7(c)(ii) of your Existing Agreement in the aggregate amount of \$7,360,000 (less applicable withholding), it being understood and agreed that you waive your right to outplacement services under Section 7(c)(iii). Such severance will be paid to you in accordance with the terms of your Existing Agreement and applicable law, including Section 409A. In addition, you will be entitled to the treatment of your equity compensation awards upon a termination by the Company without Cause (within the meaning of the Existing Agreement) as set forth in Section 7(b) of the Existing Agreement.

4. Restrictive Covenants

A. Non-Competition

During the Restricted Period, you shall not, without the prior written consent of the Company, which shall not be unreasonably withheld, in the Restricted Territory, on your own behalf, or on behalf of any other person:

(i) assist or have an interest in (whether or not such interest is active), whether as partner, investor, advisor, stockholder, officer, director or as any type of principal whatsoever, any person, firm, partnership, association, corporation or business organization, entity or enterprise that is or is about to become directly or indirectly engaged in any business or activity (whether such enterprise is in operation or in the planning or development stage) that competes in any manner with the Business of the Company or its affiliates; provided, however, that you shall be permitted to make passive investments in the stock of any mutual company or publicly traded business (including a competitive business), as long as the stock investment in any competitive business does not rise above one percent (1%) of the outstanding shares of such business; or

(ii) enter into the employment of or act as an independent contractor, director or agent for or advisor or consultant to, any person, firm, partnership, association, corporation, business organization, entity or enterprise that is or is about to become directly or indirectly engaged in any business or activity (whether such enterprise is in operation or in the planning or development stage) that competes in any manner with the Business of the Company or its affiliates, or is a governmental regulator agency of the Business.

B. Non-Solicitation

During the Restricted Period, you shall not, directly or indirectly, on your own behalf or on behalf of any other party:

(i) Call upon, solicit, divert, encourage or attempt to call upon, solicit, divert, or encourage any Customer for purposes of marketing, selling, or providing products or services to such Customer that are similar to or competitive with those offered by the Company or its affiliates;

(ii) Accept as a customer any Customer for purposes of marketing, selling, or providing products or services to such Customer that are similar to or competitive with those offered by the Company or its affiliates;

(iii) Induce, encourage, or attempt to induce or encourage any Customer to purchase or accept products or services that are similar to or competitive with those offered by the Company or its affiliates from any person or entity (other than the Company or its affiliates) engaging in the Business;

(iv) Induce, encourage, or attempt to induce or encourage any Customer to reduce, limit, or cancel its business with the Company or its affiliates; or

(v) Solicit, induce, or attempt to solicit or induce any Company Employee to terminate employment with the Company or its affiliates (whether or not for a person or entity that provides services that are competitive with the Business of the Company), with the exception of your personal assistant.

C. Confidentiality

You acknowledge that the Company has and shall give you access to certain highly sensitive, confidential, and proprietary information belonging to the Company, its affiliates or third parties who may have furnished such information under obligations of confidentiality, relating to and used in the Company's Business (collectively, "Confidential Information"). You acknowledge that, unless otherwise available to the public, Confidential Information includes, but is not limited to, the following categories of confidential or proprietary information and material financial statements and information; budgets, forecasts, and projections; business and strategic plans; marketing, sales, and distribution strategies; research and development projects; records relating to any intellectual property developed by, owned by, controlled, or maintained by the Company or its affiliates; information related to the Company's or its affiliates' inventions, research, products, designs, methods, formulae, techniques, systems, processes; customer lists; non-public information relating to the Company's or its affiliates' customers, suppliers, distributors, or investors; the specific terms of the Company's or its affiliates' agreements or arrangements, whether oral or written, with any customer, supplier, vendor, or contractor with which the Company's or its affiliates may be associated from time to time; and any and all information relating to the operation of the Company's or its affiliates' business which the Company or its affiliates may from time to time designate as confidential or proprietary or that you reasonably know should be, or has been, treated by the Company or its affiliates as confidential or proprietary. Confidential Information encompasses all formats in which information is preserved, whether electronic, print, or any other form, including all originals, copies, notes, or other reproductions or replicas thereof.

Confidential Information does not include any information that: (i) at the time of disclosure is generally known to, or readily ascertainable by, the public; (ii) becomes known to the public through no fault of your own or other violation of this Letter Agreement; or (iii) is disclosed to you by a third party under no obligation to maintain the confidentiality of the information.

You acknowledge that Confidential Information owned or licensed by the Company or its affiliates is unique, valuable, proprietary and confidential; derives independent actual or potential commercial value from not being generally known or available to the public; and is subject to reasonable efforts to maintain its secrecy. You hereby relinquish, and agree that you shall not at any time claim, any right, title or interest of any kind in or to any Confidential Information.

During and after your provision of services to the Company, you shall hold in trust and confidence all Confidential Information and shall not disclose any Confidential Information to any person or entity, except in the course of performing duties assigned by the Company or as authorized in writing by the Company. You further agree that during and after your provision of services to the Company, you shall not use any Confidential Information for the benefit of any third party, except in the course of performing duties assigned by the Company or as authorized in writing by the Company.

The restrictions in the immediately preceding paragraph shall not apply to any information to the extent that you are required to disclose such information by law, provided that you (i) notify the Company of the existence and terms of such obligation; (ii) give the Company a reasonable opportunity to seek a protective or similar order to prevent or limit such disclosure; and (iii) disclose only that information actually required to be disclosed.

Upon request by the Company during the Term and automatically and immediately at the end of your provision of services to the Company, you shall return to the Company all Confidential Information in any form (including all copies and reproductions thereof) and all other property whatsoever of the Company in your possession or under your control. If requested by the Company, you shall certify in writing that all such materials have been returned to the Company. You also expressly agree that immediately upon the termination of your services to the Company for any reason, you shall cease using any secure website, computer systems, e-mail system, or phone system or voicemail service provided by the Company for the use of its employees or contractors. You hereby represent that you have complied with this Section 4.C with respect to all Confidential Information and property in your possession that is not otherwise necessary to be retained for the performance of your duties hereunder. Notwithstanding any provision of this Letter Agreement to the contrary, nothing contained herein or therein is intended to, or will be interpreted in a manner that does, limit or restrict you from exercising any legally protected whistleblower rights, including pursuant to Rule 21F under the Securities Exchange Act of 1934, as amended.

D. Existing Agreement Continuing Covenants

The provisions of Section 11 (*Assignment of Inventions*) and 12(e) (*Non-Disparagement*) of your Existing Agreement are incorporated herein by reference, *mutatis mutandis*, with references to "TCF" in the Existing Agreement read instead to mean "the Company" and references to "Executive" read instead to mean "you." Such covenants shall continue to apply with respect to your service on and following the Effective Time.

E. Judicial Modification; Enforcement

You acknowledge and agree that the Company will suffer irreparable harm in the event that you materially breach any of your obligations under Section 4 of this Letter Agreement and that monetary damages would be inadequate to compensate the Company for such breach. The parties acknowledge that the potential restrictions on your future employment or services imposed by this Section 4 are reasonable in both duration and geographic scope and in all other respects. Accordingly, you agree that, in the event of a breach by you of any of your obligations under Section 4 of this Letter Agreement, the Company shall be entitled to obtain from any court of competent jurisdiction preliminary and permanent injunctive relief, and expedited discovery for the purpose of seeking relief, in

order to prevent or to restrain any such breach. The Company shall be entitled to recover its costs incurred in connection with any action to enforce Section 4 of this Letter Agreement, including reasonable attorneys' fees and expenses.

Should any part or provision of this Section 4 be held invalid, void, or unenforceable in any court of competent jurisdiction, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Letter Agreement. The parties further agree that if any portion of this Section 4 is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, territory, or other restrictions are deemed to be invalid or unreasonable in scope, the invalid or unreasonable terms shall be replaced by terms that such court deems valid and enforceable and that come closest to expressing the intention of such invalid or unenforceable terms. Your willingness to enter into this Letter Agreement (including this Section 4) is a material inducement to the Company to enter into the Merger Agreement and proceed with the transactions the Merger Agreement contemplates. In view of your importance to the success of the Merger, if you compete with the Company for some time after your employment, the Company will likely suffer significant harm. This Letter Agreement provides you with substantial additional benefits over your prior arrangements with TCF, including the substantial additional compensation referred to in Section 2. In return for the benefits you will receive from the Company and to induce the Company to enter into the Merger Agreement and this Letter Agreement, and in light of the potential harm you could cause the Company, you agree to the provisions of this Section 4. The Company would not have entered into this Letter Agreement if you did not agree to this Section 4. Thus, this Section 4 is an integral part of this Letter Agreement, and, if it is determined following challenge by you (or with your consent) that it is unenforceable or invalid to any material extent, this Letter Agreement will be null and void.

F. Definitions

As used in this Section 4, the following terms have the meanings given to such terms below.

“Business” means the business(es) in which the Company and its affiliates (including TCF) engage in at any time on or following the Effective Time and through the date on which your provision of services to the Company and its affiliates ceases for any or no reason, whether by you or the Company.

“Company Employee” means any person who is or was an employee of the Company and its affiliates (including TCF) at the time of, or during the 12-month period prior to, the date on which your provision of services to the Company and its affiliates ceases for any or no reason.

“Customer” means any person or entity who is or was a customer, supplier or client of the Company or its affiliates (including TCF) with whom you had any contact or association for any reason and with whom you had dealings on behalf of the Company or its affiliates (including TCF) in the course of your provision of services to the Company and its affiliates (including TCF).

“Restricted Period” means the period commencing on the Closing Date and ending on the fifth anniversary of the Closing Date (without regard to any earlier termination of this Letter Agreement, the Term or the Services for any reason); provided, however, that this period shall be tolled and shall not run during any time you are in violation of this Section 4, it being the intent of the parties that the Restricted Period shall be extended for any period of time in which you are in violation of this Section 4.

“Restricted Territory” means the United States of America.

5. Indemnification

Following the Closing Date, the Company will continue to indemnify you (including, for the avoidance of doubt, by providing you with advancement of expenses) against any actual or threatened action, suit or proceeding and to provide you with D&O insurance coverage, in each case, with respect to your services as an executive officer and director of TCF and its subsidiaries prior to the Closing Date, and thereafter, your Services consistent with the terms hereof and, in each case, to the same extent that such indemnification, expense advancement and D&O insurance coverage is provided to executive officers and directors of the Company and its subsidiaries. In addition, any existing indemnification agreement entered into between you and TCF will remain in full force and effect with respect to your service as an executive officer and director of TCF and you will continue to have the indemnification, expense advancement and D&O coverage as described in Section 6.8 of the Merger Agreement.

6. Early Termination

Your service under this Letter Agreement may not be terminated by the Company during the Term other than by the Company for Cause (as defined below). Upon your termination of service hereunder for any reason, you will receive any Advisory Fee that is earned but unpaid with respect to an Annual Period completed prior to the date of termination and reimbursable business expenses that are incurred but unreimbursed through the termination date, which will be paid in a lump sum within thirty (30) days following the termination date. In addition, if your service hereunder is terminated for any reason other than your death or Disability prior to the expiration of the Term, you will be paid a pro-rated Annual Fee for the elapsed portion of the Annual Period of service in which the date of termination occurs, with such prorated amount to equal the applicable Annual Fee amount multiplied by a fraction, (i) the numerator of which is the number of days from the beginning of the applicable Annual Period through and including the date of termination and (ii) the denominator of which is the number of days in the applicable Annual Period (the "Prorated Amount"), with the Prorated Amount to be paid in accordance with the payment timing set forth in Section 2, subject to your compliance with Section 4.

If your service hereunder is terminated due to your death prior to the expiration of the Term, the Advisory Fees that you would have earned through the third anniversary of the Closing Date had the Term not been terminated will be paid to your estate in a lump sum within thirty (30) days following the termination date. If your service hereunder is terminated due to your "disability" (within the meaning of the Company's long-term disability plan as in effect at such time without regard to the fact that you are not a participant) prior to the expiration of the Term, subject to your continued compliance with Section 4, the Company will continue to pay you the remainder of the Advisory Fees that you would have earned through the third anniversary of the Closing Date had the Term not been terminated, in accordance with the payment timing set forth in Section 2. In the case of an early termination of your service under this Letter Agreement, your obligations under Section 4 will continue in full force and effect.

For purposes of this Letter Agreement, "Cause" means the occurrence of any of the following events or conditions: (i) your removal from service with the Company by order of a regulatory agency having jurisdiction over the Company; (ii) your material breach of any provision in this Letter Agreement, provided that, if the breach is curable, it shall constitute Cause only if it continues uncured for a period of twenty (20) days after your receipt of written notice of such breach from the Company; (iii) your willful failure or refusal in any material manner to perform all lawful services required of you under this Letter Agreement, which failure or refusal continues for more than twenty (20) days after your receipt of written notice from the Company of such deficiency; (iv) your commission of fraud, embezzlement, theft, or a crime constituting moral turpitude, whether or not involving the Company,

which renders your continued employment harmful to the Company; (v) your misappropriation of Company assets or property, including without limitation, obtaining material reimbursement through financial vouchers or expense reports; or (vi) your conviction or the entry of a plea of guilty or no contest by you with respect to any felony or other crime which, in the reasonable good-faith judgment of the Company, adversely affects the Company and its reputation. For the avoidance of doubt, a termination due to your mental or physical incapacity will not be considered a termination for "Cause." You will not be deemed to be discharged for Cause unless and until there is delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board of Directors of the Company (the "Board"), at a meeting called and duly held for such purpose (after reasonable notice is provided to you and you are given an opportunity, together with your counsel, to be heard before the Board), finding in good faith that you are guilty of the conduct set forth above and specifying the particulars thereof in detail. Any such determination or termination for Cause shall be made by the Board.

7. Section 280G

If the payment of any amounts or benefits to you under this Letter Agreement (together with any other payments or benefits in the nature of compensation) under Section 280G(b)(2) of the Code (the "Total Payments") would be subject to the excise tax imposed by Section 4999 of the Code, the aggregate Present Value of the Payments (as defined below) under this Letter Agreement shall be reduced (but not below zero) to the Reduced Amount, but only if reducing the Payments provides you with a Net After-Tax benefit that is greater than if the reduction is not made. The reduction of amounts or benefits payable hereunder, if applicable, shall be determined by the Accounting Firm (as defined below) in an amount that has the least economic cost to you and, to the extent the economic cost is equivalent, then all Payments, in the aggregate, shall be reduced in the inverse order of when the Payments, in the aggregate, would have been made to you until the specified reduction is achieved.

As used in this Section 7, the following definitions apply:

"Net After-Tax Benefit" means the Present Value of a Payment, net of all federal, state and local income, employment and excise taxes, determined by applying the highest marginal rate(s) applicable to an individual for your taxable year in which Payment is made.

"Payment" means any payment or distribution in the nature of compensation (within the meaning of Code Section 280G(b)(2)) to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Letter Agreement or otherwise.

"Present Value" means the value determined in accordance with Section 280G of the Code.

"Reduced Amount" means an amount expressed in Present Value that maximizes the aggregate Present Value of Payments without causing any Payment to be subject to excise tax under Section 4999 of the Code or the corporate deduction limitation under Section 280G of the Code.

The Section 280G calculations under this Letter Agreement and the determination that Payments shall be reduced or not reduced based on the Net After-Tax Benefit shall be made by Golden Parachute Tax Solutions LLC (the "Accounting Firm"), which shall provide its determination and any supporting calculations to the Company and you within ten (10) calendar days after your "separation from service" within the meaning of Section 409A. The reasonable costs and expenses of the Accounting Firm shall be borne by the Company. In making its determination, the Accounting Firm shall take into account (if applicable), the value of your Non-Competition covenant set forth in Section 4.A, which shall be determined by the independent appraisal firm selected by the Accounting Firm and paid

for by the Company, and a portion of the Payments shall, to the extent of the appraised value, be specifically allocated as reasonable compensation for such Non-Competition covenant and shall not be treated as a parachute payment. If the Accounting Firm's determination is disputed by the Internal Revenue Service, the Company shall reimburse you for the cost of (A) your reasonable attorneys' fees for counsel selected by the Company, and (B) any tax penalties (including excise taxes) and interest ultimately incurred by you upon resolution of the dispute. Reimbursement shall be made in accordance with the Section 409A of the Code procedures set forth in Section 8, below.

8. Section 409A

It is the intent of the parties that the payments and benefits under this Letter Agreement attributable to the rendering of the Services will be exempt from or otherwise comply with the provisions of Section 409A, and each payment under this Letter Agreement will be treated as a separate payment for purposes of Section 409A. In no event may you, directly or indirectly, designate the calendar year of payment. The parties intend that the terms and provisions of this Letter Agreement will be interpreted and applied in a manner that satisfies the requirements and exemptions of Section 409A. All reimbursements of costs and expenses or in-kind benefits provided under this Letter Agreement will be made or provided in accordance with Section 409A, including, where applicable, that the right to reimbursement or in-kind benefits will not be subject to liquidation and may not be exchanged for any other benefit, the amount of expenses eligible for reimbursement (or in-kind benefits paid) in one year will not affect amounts reimbursable or provided as in-kind benefits in any subsequent year, and all expense reimbursements that are taxable income to you will in no event be paid later than the end of the calendar year next following the year in which you incur the expense.

9. Miscellaneous

This Letter Agreement will be governed and construed in accordance with the laws of the State of Ohio, without regard to conflict of laws principles thereof. This Letter Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives. If any provision of this Letter Agreement is found by any court of competent jurisdiction (or legally empowered agency) to be illegal, invalid or unenforceable for any reason, then (1) the provision will be amended automatically to the minimum extent necessary to cure the illegality or invalidity and permit enforcement and (2) the remainder of this Letter Agreement will not be affected.

The Company's obligations to make the payments provided for in this Letter Agreement and otherwise to perform its obligations hereunder will not (absent fraud or willful misconduct or a termination of your services for Cause) be affected by any set-offs, counterclaims, recoupment, defense, or other claim, right or action that the Company may have against you or others. In no event will you be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to you under any of the provisions of this Letter Agreement, and such amounts will not be reduced whether or not you obtain other employment. Upon the expiration or other termination of this Letter Agreement, the respective rights and obligations of the parties hereto will survive such expiration or other termination to the extent necessary to carry out the intentions of the parties hereunder.

This Letter Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements (including the Existing Agreement, except to the extent provisions of the Existing Agreement are incorporated herein by reference), term sheets, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of such subject matter.

This Letter Agreement and any rights and benefits hereunder will inure to the benefit of and be enforceable by your legal representatives, heirs or legatees. As used in this Letter Agreement, the "Company" will mean the Company as hereinbefore defined and any successor to its business and/or assets by operation of law or otherwise, and "affiliate" will mean any entity that directly or indirectly controls, is controlled by, or is under common control with the Company and, prior to the Effective Time, TCF. For purposes of Section 4 and the defined terms used therein, all references to the Company will include TCF and the affiliates of the Company, whether or not specified.

Any notices given under this Letter Agreement (1) by the Company to you will be in writing and will be given by hand delivery or by registered or certified mail, return receipt requested, postage prepaid, addressed to you at your address listed above or (2) by you to the Company will be in writing and will be given by hand delivery or by registered or certified mail, return receipt requested, postage prepaid, addressed to the General Counsel of the Company at the Company's corporate headquarters.

The headings of this Letter Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Letter Agreement. This Letter Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

If this Letter Agreement correctly describes our understanding, please execute and deliver a counterpart of this signature page, which will become a binding agreement on our receipt.

Sincerely,

HUNTINGTON BANCSHARES INCORPORATED

By: /s/ Stephen D. Steinour
Name: Stephen D. Steinour
Title: Chairman, President and
Chief Executive Officer

[Signature Page to Letter Agreement]

Accepted and Agreed

I hereby agree with and accept the terms
and conditions of this Letter Agreement:

/s/ Gary Torgow

Name: Gary Torgow

Date: December 13, 2020

[Signature Page to Letter Agreement]

Schedule A

The following will constitute the Services to be performed, as requested by the Chief Executive Officer from time to time during the Term:

- Provide advice and counsel to the Chief Executive Officer of the Company, as requested by the Chief Executive Officer of the Company, regarding the development, strengthening and growth of customer, community and local government relationships.
- Be available to meet with, and to be involved with, clients and counterparties, at the request of the Chief Executive Officer of the Company, where the Company believes that your personal knowledge, relationships, attendance and/or participation could be beneficial to the Company.
- Provide strategic advice and counsel regarding the successful integration of Hawk and TCF.
- Perform such other services as you and the Chief Executive Officer of the Company may mutually agree upon from time to time during the Term.



Rajeev Syal
Senior Executive Vice President
Chief Human Resources Officer
rajeev.syal@huntington.com
Huntington Bancshares Incorporated
41 South High Street - HC1033
Columbus, OH 43287
614.480.5461 OFFICE

February 2, 2021

Michael Jones
At the address on file with the Company

Re: Retention Letter

Dear Michael:

As you know, TCF Financial Corporation (“TCF”) has entered into an Agreement and Plan of Merger (the “**Merger Agreement**”) with Huntington Bancshares Incorporated (together with its Subsidiaries and Affiliates (each as defined in the Merger Agreement), “**Huntington**”) contemplating the merger (the “**Merger**”) of TCF with and into Huntington, with Huntington as the surviving entity in the Merger. Retention of key employees of TCF is an essential consideration for Huntington and TCF while the transaction is pending and thereafter, and therefore, we are providing you with this letter (the “**Retention Letter**”). We are very excited about your continuing employment with Huntington after the date of the consummation of the Merger (the “**Effective Date**”).

I. Employment Terms Following the Effective Date

Position, Reporting and Location. Pursuant to the terms of this Retention Letter and subject to approval by the Board of Directors, following the Merger, you will serve as Head of Middle Market Banking – Minnesota and Colorado and Chair for Minnesota and Colorado, SEVP of The Huntington National Bank (the “**Bank**”), reporting to the person(s) serving as the executive leader(s) of the Commercial Banking segment of the Bank or his or their designee (your “**Manager**”). Your duties and responsibilities in that position will be commensurate with such position and as may be assigned to you by your Manager from time to time. Your principal employment location will be Minneapolis, Minnesota, subject to business travel as may be required due to your position.

Annual Base Salary and 2021 and 2022 Annual Incentive Opportunity. As of the Effective Date, your annual base salary will be \$600,000, subject to adjustment in accordance with the policies of the Bank as in effect from time to time, and payable in accordance with the Bank’s customary payroll practices. You will be eligible to participate in Huntington’s Management Incentive Plan or any successor plan (the “**annual incentive plan**”), with a target opportunity for the 2021 and 2022 performance years of eighty percent (80%) of your annual base salary. The actual earned annual incentive award, if any, will be determined by the Compensation Committee of Huntington (the “**Committee**”) or its designee pursuant to the terms of the Huntington annual incentive plan and based on the achievement of applicable performance goals and paid, in each case, on the same basis as incentive award determinations

and payments are made for similarly situated employees of Huntington (the “**Peer Employees**”). Notwithstanding the foregoing, with respect to your annual incentive award for the 2021 performance year, if the Effective Date does not occur by November 1, 2021, and TCF determines performance for such year as permitted by the Merger Agreement, your annual incentive award in respect of the 2021 performance year will be based on TCF performance consistent with TCF’s annual incentive plan. In this case, your eligibility under the Huntington annual incentive plan will commence with respect to the 2022 performance year. In no event will you be eligible for an annual incentive award with respect to the 2021 performance year under both the Huntington and TCF annual incentive plans that would be duplicative.

Annual Equity Award Opportunity. In May of 2022 (or such earlier date in 2022 as annual equity awards are granted to the Peer Employees), you will be eligible to receive an annual equity award for 2022 performance under Huntington’s then applicable long-term incentive plan, with a target award opportunity of one hundred and twenty percent (120%) of your annual base salary. In each subsequent year thereafter, you will be eligible to receive an annual equity award under Huntington’s then applicable long-term incentive plan, with a target award opportunity determined on the same basis as that applicable to the Peer Employees. Such awards (including the form and allocations of such awards) will be determined by the Committee pursuant to the terms of the applicable long-term incentive plan on the same basis as award determinations are made for the Peer Employees. The terms and conditions of any award will be set forth in the grant agreement(s), which will be distributed shortly after the grant date.

Benefits. While employed, you will be eligible for employee benefits, including paid time off but excluding severance or transition pay, no less favorable than those provided to the Peer Employees, although until fully integrated into the Huntington benefits platform some of your benefits may continue to be provided under the TCF benefits platform. With respect to an eligible termination occurring after the second anniversary of the Effective Date, you will be eligible for benefits under the Huntington Transition Pay Plan as in effect at the time of your employment termination. While employed, you will be eligible for fringe benefits on the same basis as the Peer Employees, as in effect from time to time, and as of the Effective Date, any fringe benefits or prerequisites provided by TCF will be discontinued.

Relocation Reimbursement. You will be eligible for reimbursement of certain expenses incurred in connection with your relocation of personal items from Detroit, Michigan to Minneapolis, Minnesota for the performance of your duties under this Letter, with such reimbursement not to exceed \$20,000. To be reimbursed, you must complete relocation of your personal items to Minneapolis no later than December 31, 2021 and provide satisfactory documentation of all incurred expenses to Huntington in accordance with Huntington’s expense reimbursement policies as in effect from time to time. Expenses eligible to be reimbursed include moving and packing and/or unpacking services. For the avoidance of doubt, Huntington will not reimburse you for any property value losses in connection with the relocation of the items for which no documentation or unsatisfactory documentation is received. In order to be eligible for such reimbursement, all documentation must be submitted by January 31, 2022 and any documentation submitted to Huntington after January 31, 2022 will not be reimbursed. All reimbursements will be made or provided in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), including, where applicable, that the right to reimbursement will not be subject to liquidation and may not be exchanged for any other benefit, the amount of expenses eligible for reimbursement (or in-kind benefits paid) in one year will not affect amounts reimbursable or provided as in-kind benefits in any subsequent year, and all expense reimbursements that are taxable income to you will in no event be paid later than the end of the calendar year next following the year in which you incur the expense.

Application of Huntington Policies. While employed, you will also be subject to the policies, Code of Conduct and Ethics and Handbook Statements of Huntington as in effect from time to time, including any clawback and recoupment policies. At your executive level, you will be required to hold fifty percent (50%) of your net released shares for all vested Huntington equity award releases and fifty percent (50%) of net shares received upon the exercise of stock options; provided that these requirements will not apply to your legacy TCF awards converted into Huntington awards in accordance with the terms of the Merger Agreement. These net shares must be held until your employment with Huntington terminates. You will also be subject to Huntington's Executive Stock Ownership guideline at two (2) times your annual base salary level, to be achieved within five (5) years from the Effective Date. Except with respect to a Good Reason termination (as set forth below), you will be required to provide Huntington with three (3) months' advance notice of termination, which Huntington may waive in its discretion.

II. Your TCF Agreement

You are currently party to an Amended and Restated Executive Employment Agreement, dated as of December 13, 2020, by and between you and TCF (the "**Existing Agreement**"). Section 7 of the Existing Agreement would entitle you to certain payments and benefits upon a qualifying termination of employment during the twenty-four (24)-month period following a change in control of TCF, such as the Merger.

In order for you to continue to serve Huntington following the Effective Date without concern about your potential rights under the Existing Agreement, the payments and benefits under the Existing Agreement will be treated in the manner described below, which provides you with the opportunity to receive the value of the severance under Section 7(c)(i) of the Existing Agreement without having to terminate employment. Tax rules under Section 409A of the Code prevent us from paying certain of these amounts to you until you have a "separation from service" within the meaning of Section 409A of the Code.

Subject to your continued employment through the Effective Date and your execution and non-revocation of a release of claims against Huntington in substantially the form attached to your Existing Agreement as Appendix A, in full satisfaction of the obligations under Section 7 of the Existing Agreement, you will be eligible to receive a payment equal to \$2,817,795, which is the value of the payments under Section 7(c)(i) of your Existing Agreement determined as of the date hereof, with such amount to be reduced as determined to be necessary to avoid the application of the excise tax under Section 4999 of the Code (described below in this Letter Agreement under the heading "*Golden Parachute Excise Tax*") (such amount as may be reduced, the "**Existing Agreement Amount**"). An amount equal to \$1,577,969 of the Existing Agreement Amount (the "**Non-DC Amount**") will be paid to you in cash on the first pay date after sixty (60) days have lapsed following the Effective Date, subject to the effectiveness of the release. The Non-DC Amount represents the maximum amount of the Existing Agreement Amount that is permitted to be paid to you under Section 409A of the Code, absent a "separation from service" within the meaning of Section 409A of the Code.

On the Effective Date, the remainder of the Existing Agreement Amount equal to \$1,239,826 (the "**DC Amount**") will be credited to a deferred compensation account established in your name under a deferred compensation plan maintained by Huntington (the "**DC Account**"). The DC Amount will not be subject to a vesting requirement, and through the date(s) of payment, may be deemed invested in the investment alternatives available under the plan based on your direction. Subject to your execution and non-revocation of a release of claims in a form provided by Huntington, any required delay under Section 409A of the Code as provided in Section VI, and the last sentence of this paragraph, (i) upon any termination of

employment that constitutes a separation from service and occurs prior to the second anniversary of the Effective Date, the amounts in the DC Account will be paid to you in a lump sum on the first pay date after sixty (60) days have lapsed following your separation from service, and (ii) upon any termination of employment that constitutes a separation from service and occurs on or after the second anniversary of the Effective Date, the amounts in the DC Account will be paid to you in equal installments over seventy-eight (78) weeks in accordance with Huntington's payroll practices and procedures, beginning on the first pay date after sixty (60) days have lapsed following your separation from service. Neither the DC Amount nor the Non-DC Amount is or shall be subject to, or eligible for, any existing or future deferral elections. Notwithstanding the foregoing, if you violate any of the restrictive covenants under the Existing Agreement that are incorporated herein pursuant to Section V, Huntington will have any remedies, including clawback, that may be available to it in law or at equity.

By signing this Retention Letter, you are agreeing that the obligations under the Existing Agreement will be handled as set forth herein and that, from and after the Effective Date, the Existing Agreement will terminate and be of no force or effect, except for any provisions thereof that expressly survive as provided in this Retention Letter.

III. Legacy TCF Equity Awards

In connection with the Merger, your outstanding TCF equity awards will be treated in accordance with the terms of the Merger Agreement, which generally provides that TCF equity awards outstanding immediately prior to the Effective Date will be converted into awards in respect of Huntington common stock (referred to herein as "**legacy adjusted equity awards**"). Following the Effective Date, your legacy adjusted equity awards will continue to vest based on your continued employment with Huntington. If, following the Effective Date, your employment is terminated under the certain circumstances described in Sections 6(b)(i) (*Death and Disability*), 6(b)(ii) (*Retirement with Notice*) and 7(b) (*Equity Based Awards – Termination Without Cause/Good Reason within Two Years Following a Change in Control*) of the Existing Agreement, your legacy adjusted equity awards will be treated as set forth in such sections of the Existing Agreement (and subject to Section 409A of the Code, to the extent such awards constitute deferred compensation within the meaning of Section 409A of the Code), in each case subject to your execution and non-revocation of a release of claims against Huntington; provided, however, that for purposes of Section 7(b) of the Existing Agreement, "Good Reason" will be defined as set forth below and not as set forth in the Existing Agreement. For the avoidance of doubt, the foregoing provisions of the Existing Agreement will not apply to any awards granted on or after the Effective Date.

For purposes of the legacy adjusted equity awards, "**Good Reason**" means the occurrence of any of the following events within the two (2)-year period following the Effective Date, without your written consent: (i) any material reduction in the base salary as set forth in Section I of this Retention Letter, without a corresponding reduction in the base salaries of the Peer Employees; (ii) any material reduction in your status, position or responsibilities as set forth in Section I of this Retention Letter; (iii) any requirement by Huntington (without your consent) that you be principally based at any office or location more than sixty (60) miles from your principal work location as set forth in Section I of this Retention Letter; or (iv) any other material breach of this Retention Letter by Huntington. In order to invoke a termination for Good Reason, you must give Huntington written notice of your intention to terminate employment with Huntington for Good Reason within ninety (90) days following your first knowledge of any Good Reason event and a period of sixty (60) days in which Huntington may cure the event alleged to constitute Good Reason. If Huntington fails to remedy the condition constituting Good Reason during the cure period, you must terminate (if at all) under circumstances

constituting a “separation from service” (as such term is defined in Treasury Regulations Section 1.409A-1(h)) within thirty (30) days following the expiration of Huntington’s cure period, in order for such termination to constitute a Good Reason termination. If the foregoing notice, cure and termination requirement are not satisfied, you will have no right to terminate employment for Good Reason as a result of such event.

IV. Golden Parachute Excise Taxes

Generally, Sections 280G and 4999 of the Code subject “excess parachute payments” to certain penalties, including a twenty percent (20%) excise tax on the payments and benefits to the employee (in addition to ordinary income and withholding taxes). Parachute payments result if the aggregate payments received by a disqualified individual for purposes of Section 280G that are contingent upon a change in control equal or exceed certain safe harbor limitations. Section 7(d) (*Golden Parachute Cap*) of your Existing Agreement, which is incorporated into this Letter Agreement by reference, provides for a reduction of the amounts payable to you so that you do not exceed your safe harbor limitation and have to pay the twenty percent (20%) excise tax. The determination of the value of the parachute payments that you may receive is contingent on a variety of factors, including the price of Huntington common stock on the Effective Date, and, as such, while your parachute payments (and therefore the Existing Agreement Amount and the corresponding Non-DC Amount and DC Amount) may be estimated at this time, they will not be finally determined until as soon as reasonably practicable after the Effective Date. If the parachute value of all payments and benefits that you are to receive in connection with the Merger exceed your safe harbor limitation, the DC Amount of the Existing Agreement Amount may be reduced to avoid the application of the excise tax.

V. Restrictive Covenants

You acknowledge and agree that Sections 10 (*Confidential Information*), 11 (*Assignment of Inventions*), 12 (*Non-Competition, Non-Solicitation and Non-Disparagement*) and 13 (*Enforcement*) of your Existing Agreement are incorporated by reference and will continue to apply as if set forth herein, *mutatis mutandis*. Furthermore, you acknowledge and agree that all such restrictive covenants are in addition to, and not in lieu of, any other similar covenants to which you may be subject under any other plan or agreement with Huntington or TCF.

VI. Additional Provisions

This Retention Letter will automatically become effective on, and subject to the occurrence of, the Effective Date. This Retention Letter contains all of the terms agreed upon by the parties with respect to the subject matter hereof and supersedes all prior agreements, arrangements, term sheets and communications between the parties concerning such subject matter (including the Existing Agreement), whether oral or written, other than the provisions of the Existing Agreement that are expressly incorporated into this Retention Letter. Such incorporated provisions will continue to apply as if set forth herein, *mutatis mutandis*, with references therein to “TCF” to be references to “Huntington,” references to “the Executive” to be references to “you” and such other interpretative modifications as are necessary (as determined by Huntington) to effectuate the intent and purpose of the applicable provision as incorporated herein. This Retention Letter may not be amended except by an instrument in writing signed by the parties hereto.

If the Merger does not occur and the Merger Agreement is terminated in accordance with its terms or your employment with TCF terminates prior to the Effective Date, this Retention Letter will automatically be null and void *ab initio* and be of no further force or effect, and you will not be entitled to the Existing Agreement Amount.

You agree to enter into Huntington's form of Trade Secrets, Intellectual Property and Non-Solicitation Agreement as in effect at such time, and to the extent reasonably requested, will cooperate and complete Huntington's standard pre-employment screening process and any other periodic background screens required due to regulatory requirements and/or business needs during your employment. You and Huntington acknowledge that your employment is "at will" and may be terminated by either you or Huntington at any time and for any reason or no reason.

This Retention Letter will be binding upon any successor of Huntington or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that Huntington would be obligated under this Retention Letter if no succession had taken place. The term "Huntington," as used in this Retention Letter, means Huntington as hereinbefore defined and any successor or assignee to the business or assets.

Huntington will withhold from any amounts payable under this Retention Letter such federal, state or local taxes as are required to be withheld pursuant to any applicable law or regulation. Certain withholding requirements (*e.g.*, FICA employment taxes) will apply to the DC Account prior to the payment of such amounts to you, and you agree that Huntington will be permitted to withhold any required amounts from the amounts held in the DC Account.

It is intended that the payments and benefits described under this Retention Letter will be in compliance with Section 409A of the Code or an exemption thereto, and this Retention Letter will be interpreted and administered consistent with these intentions. Notwithstanding the foregoing, Huntington does not have and will not have responsibility for any taxes, penalties or interest incurred by you in connection with payments and benefits provided under this Retention Letter, including any imposed by Section 409A of the Code. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Retention Letter will be treated as a separate payment of compensation. All payments that constitute nonqualified deferred compensation under Section 409A of the Code that are to be made upon a termination of employment may only be made upon a "separation from service" (as defined under Section 409A of the Code) to the extent necessary to avoid the imposition of penalty taxes on you pursuant to Section 409A of the Code. In no event may you, directly or indirectly, designate the calendar year of any payment under this Retention Letter. Without limiting the generality of the foregoing, if, as of the date of termination of your employment, you are a "specified employee" (within the meaning of Section 409A of the Code as determined under Huntington's policies), amounts that constitute nonqualified deferred compensation under Section 409A of the Code to be paid or provided during the period between your termination of service with Huntington and the date that is six (6)-months thereafter on account of your separation from service, including the amounts in the DC Account, will be paid or provided to you on the first business day that is six (6) months and a day following the date of such termination (or, if earlier, immediately following the date of your death).

This Retention Letter will be governed by, and construed in accordance with, the laws of the State of Ohio, without reference to its conflict of law rules. This Retention Letter may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become a binding agreement when one or more counterparts have been signed by each party and delivered to the other party.

We very much look forward to your continuing employment with Huntington. Should you have any further questions or need clarification on the terms of this Retention Letter, please discuss with me directly prior to February 5, 2021. In order to be eligible to receive the payments and benefits set forth herein, you must sign this Retention Letter and return it to me on February 5, 2021, by scanning your executed Retention Letter and sending it to me via electronic mail on that date and then mailing the original signed Retention Letter to me at the address provided above.

Very truly yours,

/s/ Rajeev Syal

Rajeev Syal
Chief Human Resources
Officer

Accepted and Acknowledged:

/s/ Michael Jones

Dated: 2/2/2021



Rajeev Syal
Senior Executive Vice President
Chief Human Resources Officer
rajeev.syal@huntington.com
Huntington Bancshares Incorporated
41 South High Street - HC1033
Columbus, OH 43287
614.480.5461 OFFICE

February 4, 2021

Thomas C. Shafer
At the address on file with the Company

Re: Retention Letter

Dear Tom:

As you know, TCF Financial Corporation (“**TCF**”) has entered into an Agreement and Plan of Merger (the “**Merger Agreement**”) with Huntington Bancshares Incorporated (together with its Subsidiaries and Affiliates (each as defined in the Merger Agreement), “**Huntington**”) contemplating the merger (the “**Merger**”) of TCF with and into Huntington, with Huntington as the surviving entity in the Merger. Retention of key employees of TCF is an essential consideration for Huntington and TCF while the transaction is pending and thereafter, and therefore, we are providing you with this letter (the “**Retention Letter**”). We are very excited about your continuing employment with Huntington after the date of the consummation of the Merger (the “**Effective Date**”).

I. Employment Terms Following the Effective Date

Position, Reporting and Location. Pursuant to the terms of this Retention Letter and subject to approval by the Board of Directors, following the Merger, you will serve as Co-President, Commercial Bank, SEVP of The Huntington National Bank (the “**Bank**”), reporting to the person serving in the role of Chief Executive Officer of the Bank, currently Steve Steinour (your “**Manager**”). Your duties and responsibilities in that position will be commensurate with such position and as may be assigned to you by your Manager from time to time. Your principal employment location will be Detroit, Michigan, subject to business travel as may be required due to your position.

Annual Base Salary and 2021 and 2022 Annual Incentive Opportunity. As of the Effective Date, your annual base salary will be \$630,000, subject to adjustment in accordance with the policies of the Bank as in effect from time to time, and payable in accordance with the Bank’s customary payroll practices. You will be eligible to participate in Huntington’s Management Incentive Plan or any successor plan (the “**annual incentive plan**”), with a target opportunity for the 2021 and 2022 performance years of one hundred and fifteen percent (115%) of your annual base salary. The actual earned annual incentive award, if any, will be determined by the Compensation Committee of Huntington (the “**Committee**”) or its designee pursuant to the terms of the Huntington annual incentive plan and based on the achievement of applicable performance goals and paid, in each case, on the same basis as incentive award determinations

and payments are made for similarly situated employees of Huntington (the “**Peer Employees**”). Notwithstanding the foregoing, with respect to your annual incentive award for the 2021 performance year, if the Effective Date does not occur by November 1, 2021, and TCF determines performance for such year as permitted by the Merger Agreement, your annual incentive award in respect of the 2021 performance year will be based on TCF performance consistent with TCF’s annual incentive plan. In this case, your eligibility under the Huntington annual incentive plan will commence with respect to the 2022 performance year. In no event will you be eligible for an annual incentive award with respect to the 2021 performance year under both the Huntington and TCF annual incentive plans that would be duplicative.

Annual Equity Award Opportunity. In May of 2022 (or such earlier date in 2022 as annual equity awards are granted to the Peer Employees), you will be eligible to receive an annual equity award for 2022 performance under Huntington’s then applicable long-term incentive plan, with a target award opportunity of two hundred and fifteen percent (215%) of your annual base salary. In each subsequent year thereafter, you will be eligible to receive an annual equity award under Huntington’s then applicable long-term incentive plan, with a target award opportunity determined on the same basis as that applicable to the Peer Employees. Such awards (including the form and allocations of such awards) will be determined by the Committee pursuant to the terms of the applicable long-term incentive plan on the same basis as award determinations are made for the Peer Employees. The terms and conditions of any award will be set forth in the grant agreement(s), which will be distributed shortly after the grant date.

Benefits. While employed, you will be eligible for employee benefits, including paid time off but excluding severance or transition pay (except as set forth below), no less favorable than those provided to the Peer Employees, although until fully integrated into the Huntington benefits platform some of your benefits may continue to be provided under the TCF benefits platform. While employed, you will be eligible for fringe benefits on the same basis as the Peer Employees, as in effect from time to time, and as of the Effective Date, any fringe benefits or perquisites provided by TCF will be discontinued.

Severance Protection. On the Effective Date, you will also be eligible to enter into an Executive Agreement in substantially the same form as provided to the Peer Employees, which will (subject to your execution of such agreement) provide for severance benefits upon a qualifying termination of employment following a change of control of Huntington based on a multiple of two and one-half (2.5) your annual base salary and target award under the annual incentive plan. In addition, with respect to an eligible termination occurring after the second anniversary of the Effective Date and not in connection with a Huntington change of control, you will be eligible for benefits under the Huntington Transition Pay Plan as in effect at the time of your employment termination.

Application of Huntington Policies. While employed, you will also be subject to the policies, Code of Conduct and Ethics and Handbook Statements of Huntington as in effect from time to time, including any clawback and recoupment policies. At your executive level, you will be required to hold fifty percent (50%) of your net released shares for all vested Huntington equity award releases and fifty percent (50%) of net shares received upon the exercise of stock options; provided that these requirements will not apply to your legacy TCF awards converted into Huntington awards in accordance with the terms of the Merger Agreement. These net shares must be held until your employment with Huntington terminates. You will also be subject to Huntington’s Executive Stock Ownership guideline at three (3) times your annual base salary level, to be achieved within five (5) years from the Effective Date. Except with respect to a Good Reason termination (as set forth below), you will be required to provide Huntington with three (3) months’ advance notice of termination, which Huntington may waive in its discretion.

II. Your TCF Agreement

You are currently party to an Amended and Restated Executive Employment Agreement, dated as of December 13, 2020, by and between you and TCF (the “**Existing Agreement**”). Section 7 of the Existing Agreement would entitle you to certain payments and benefits upon a qualifying termination of employment during the twenty-four (24)-month period following a change in control of TCF, such as the Merger.

In order for you to continue to serve Huntington following the Effective Date without concern about your potential rights under the Existing Agreement, the payments and benefits under the Existing Agreement will be treated in the manner described below, which provides you with the opportunity to receive the value of the severance under Section 7(c)(i) of the Existing Agreement without having to terminate employment. Tax rules under Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”) prevent us from paying certain of these amounts to you until you have a “separation from service” within the meaning of Section 409A of the Code.

Subject to your continued employment through the Effective Date and your execution and non-revocation of a release of claims against Huntington in substantially the form attached to your Existing Agreement as Appendix A, in full satisfaction of the obligations under Section 7 of the Existing Agreement, you will be eligible to receive a payment equal to \$7,350,000, which is the value of the payments under Section 7(c)(i) of your Existing Agreement determined as of the date hereof, with such amount to be reduced as determined to be necessary to avoid the application of the excise tax under Section 4999 of the Code (described below in this Letter Agreement under the heading “*Golden Parachute Excise Tax*”) (such amount as may be reduced, the “**Existing Agreement Amount**”). An amount equal to \$3,540,417 of the Existing Agreement Amount (the “**Non-DC Amount**”) will be paid to you in cash no later than the first pay date after sixty (60) days have lapsed following the Effective Date, subject to the effectiveness of the release. The Non-DC Amount represents the maximum amount of the Existing Agreement Amount that is permitted to be paid to you under Section 409A of the Code, absent a “separation from service” within the meaning of Section 409A of the Code.

On the Effective Date, the remainder of the Existing Agreement Amount equal to \$3,809,583 (the “**DC Amount**”) will be credited to a deferred compensation account established in your name under a deferred compensation plan maintained by Huntington (the “**DC Account**”). The DC Amount will not be subject to a vesting requirement, and through the date(s) of payment, may be deemed invested in the investment alternatives available under the plan based on your direction. Subject to your execution and non-revocation of a release of claims in a form provided by Huntington, any required delay under Section 409A of the Code and the last sentence of this paragraph, upon any termination of employment that constitutes a separation from service, the amounts in the DC Account will be paid to you in equal installments over one hundred and four (104) weeks in accordance with Huntington’s payroll practices and procedures, beginning on the first pay date after sixty (60) days have lapsed following your separation from service; provided that if you are a “specified employee” (within the meaning of Section 409A of the Code as determined under Huntington’s policies), the amounts in the DC Account that otherwise would be paid during the period between your separation from service with Huntington and the date that is six (6)-months thereafter and are required to be delayed under Section 409A of the Code will be aggregated and paid to you in the first payment made to you after such six (6)-month period (or if earlier, immediately following the date of your death). Neither the DC Amount nor the Non-DC Amount is or shall be subject to, or eligible for, any existing or future deferral elections. Notwithstanding the foregoing, if you violate any of the

restrictive covenants under the Existing Agreement that are incorporated herein pursuant to Section V, Huntington will have any remedies, including clawback, that may be available to it in law or at equity.

By signing this Retention Letter, you are agreeing that the obligations under the Existing Agreement will be handled as set forth herein and that, from and after the Effective Date, the Existing Agreement will terminate and be of no force or effect, except for any provisions thereof that expressly survive as provided in this Retention Letter.

III. Legacy TCF Equity Awards

In connection with the Merger, your outstanding TCF equity awards will be treated in accordance with the terms of the Merger Agreement, which generally provides that TCF equity awards outstanding immediately prior to the Effective Date will be converted into awards in respect of Huntington common stock (referred to herein as “**legacy adjusted equity awards**”). Following the Effective Date, your legacy adjusted equity awards will continue to vest based on your continued employment with Huntington. If, following the Effective Date, your employment is terminated under the certain circumstances described in Sections 6(b)(i) (*Death and Disability*), 6(b)(ii) (*Retirement with Notice*) and 7(b) (*Equity Based Awards – Termination Without Cause/Good Reason within Two Years Following a Change in Control*) of the Existing Agreement, your legacy adjusted equity awards will be treated as set forth in such sections of the Existing Agreement (and subject to Section 409A of the Code, to the extent such awards constitute deferred compensation within the meaning of Section 409A of the Code), in each case subject to your execution and non-revocation of a release of claims against Huntington; provided, however, that for purposes of Section 7(b) of the Existing Agreement, “Good Reason” will be defined as set forth below and not as set forth in the Existing Agreement. For the avoidance of doubt, the foregoing provisions of the Existing Agreement will not apply to any awards granted on or after the Effective Date.

For purposes of the legacy adjusted equity awards, “**Good Reason**” means the occurrence of any of the following events within the two (2)-year period following the Effective Date, without your written consent: (i) any material reduction in the aggregate compensation opportunity or benefits provided to you as set forth in Section I of this Retention Letter, without a corresponding reduction in the base salaries of the Peer Employees; (ii) any material reduction in your status, position or responsibilities as set forth in Section I of this Retention Letter; (iii) any requirement by Huntington (without your consent) that you be principally based at any office or location more than sixty (60) miles from your principal work location as set forth in Section I of this Retention Letter; or (iv) any other material breach of this Retention Letter by Huntington. In order to invoke a termination for Good Reason, you must give Huntington written notice of your intention to terminate employment with Huntington for Good Reason within ninety (90) days following your first knowledge of any Good Reason event and a period of sixty (60) days in which Huntington may cure the event alleged to constitute Good Reason. If Huntington fails to remedy the condition constituting Good Reason during the cure period, you must terminate (if at all) under circumstances constituting a “separation from service” (as such term is defined in Treasury Regulations Section 1.409A-1(h)) within thirty (30) days following the expiration of Huntington’s cure period, in order for such termination to constitute a Good Reason termination. If the foregoing notice, cure and termination requirement are not satisfied, you will have no right to terminate employment for Good Reason as a result of such event.

IV. Golden Parachute Excise Taxes

Generally, Sections 280G and 4999 of the Code subject “excess parachute payments” to certain penalties, including a twenty percent (20%) excise tax on the payments and benefits to the employee (in addition to ordinary income and withholding taxes). Parachute payments result if the aggregate payments received by a disqualified individual for purposes of Section 280G that are contingent upon a change in control equal or exceed certain safe harbor limitations. Section 7(d) (*Golden Parachute Cap*) of your Existing Agreement, which is incorporated into this Letter Agreement by reference, provides for a reduction of the amounts payable to you so that you do not exceed your safe harbor limitation and have to pay the twenty percent (20%) excise tax. The determination of the value of the parachute payments that you may receive is contingent on a variety of factors, including the price of Huntington common stock on the Effective Date, and, as such, while your parachute payments (and therefore the Existing Agreement Amount and the corresponding Non-DC Amount and DC Amount) may be estimated at this time, they will not be finally determined until as soon as reasonably practicable after the Effective Date. If the parachute value of all payments and benefits that you are to receive in connection with the Merger exceed your safe harbor limitation, the DC Amount of the Existing Agreement Amount may be reduced to avoid the application of the excise tax.

V. Restrictive Covenants

You acknowledge and agree that Sections 10 (*Confidential Information*), 11 (*Assignment of Inventions*), 12 (*Non-Competition, Non-Solicitation and Non-Disparagement*) and 13 (*Enforcement*) of your Existing Agreement are incorporated by reference and will continue to apply as if set forth herein, *mutatis mutandis*. Furthermore, you acknowledge and agree that all such restrictive covenants are in addition to, and not in lieu of, any other similar covenants to which you may be subject under any other plan or agreement with Huntington or TCF.

VI. Additional Provisions

This Retention Letter will automatically become effective on, and subject to the occurrence of, the Effective Date. This Retention Letter contains all of the terms agreed upon by the parties with respect to the subject matter hereof and supersedes all prior agreements, arrangements, term sheets and communications between the parties concerning such subject matter (including the Existing Agreement), whether oral or written, other than the provisions of the Existing Agreement that are expressly incorporated into this Retention Letter. Such incorporated provisions will continue to apply as if set forth herein, *mutatis mutandis*, with references therein to “TCF” to be references to “Huntington,” references to “the Executive” to be references to “you” and such other interpretative modifications as are necessary (as determined by Huntington) to effectuate the intent and purpose of the applicable provision as incorporated herein. This Retention Letter may not be amended except by an instrument in writing signed by the parties hereto.

If the Merger does not occur and the Merger Agreement is terminated in accordance with its terms or your employment with TCF terminates prior to the Effective Date, this Retention Letter will automatically be null and void *ab initio* and be of no further force or effect, and you will not be entitled to the Existing Agreement Amount.

You agree to enter into Huntington's form of Trade Secrets, Intellectual Property and Non-Solicitation Agreement as in effect at such time, and to the extent reasonably requested, will cooperate and complete Huntington's standard pre-employment screening process and any other periodic background screens required due to regulatory requirements and/or business needs during your employment. You and Huntington acknowledge that your employment is "at will" and may be terminated by either you or Huntington at any time and for any reason or no reason.

This Retention Letter will be binding upon any successor of Huntington or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that Huntington would be obligated under this Retention Letter if no succession had taken place. The term "Huntington," as used in this Retention Letter, means Huntington as hereinbefore defined and any successor or assignee to the business or assets.

Huntington will withhold from any amounts payable under this Retention Letter such federal, state or local taxes as are required to be withheld pursuant to any applicable law or regulation. Certain withholding requirements (e.g., FICA employment taxes) will apply to the DC Account prior to the payment of such amounts to you, and you agree that Huntington will be permitted to withhold any required amounts from the amounts held in the DC Account.

It is intended that the payments and benefits described under this Retention Letter will be in compliance with Section 409A of the Code or an exemption thereto, and this Retention Letter will be interpreted and administered consistent with these intentions. Notwithstanding the foregoing, Huntington does not have and will not have responsibility for any taxes, penalties or interest incurred by you in connection with payments and benefits provided under this Retention Letter, including any imposed by Section 409A of the Code. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Retention Letter will be treated as a separate payment of compensation. All payments that constitute nonqualified deferred compensation under Section 409A of the Code that are to be made upon a termination of employment may only be made upon a "separation from service" (as defined under Section 409A of the Code) to the extent necessary to avoid the imposition of penalty taxes on you pursuant to Section 409A of the Code. In no event may you, directly or indirectly, designate the calendar year of any payment under this Retention Letter. Without limiting the generality of the foregoing, if, as of the date of termination of your employment, you are a "specified employee" (within the meaning of Section 409A of the Code as determined under Huntington's policies), amounts that constitute nonqualified deferred compensation under Section 409A of the Code to be paid or provided during the period between your termination of service with Huntington and the date that is six (6)-months thereafter on account of your separation from service, including the amounts in the DC Account, will be paid or provided to you on the first business day that is six (6) months and a day following the date of such termination (or, if earlier, immediately following the date of your death).

This Retention Letter will be governed by, and construed in accordance with, the laws of the State of Ohio, without reference to its conflict of law rules. This Retention Letter may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become a binding agreement when one or more counterparts have been signed by each party and delivered to the other party.

SUBSIDIARIES OF HUNTINGTON BANCSHARES INCORPORATED

The direct and indirect subsidiaries of Huntington Bancshares Incorporated at December 31, 2021, are listed below. The state or jurisdiction of incorporation or organization of each subsidiary (unless otherwise noted) is Ohio.

41 South High Ltd.
7575 Corporation
791, 801, AND 803 W. Big Beaver Road, LLC
AM-HBAN Solar Trust (Delaware)
CFC-HBAN Solar Trust (Delaware)
AFL-HBAN Solar Trust (Delaware)
GC1-HBAN Solar Trust
CASCADE Holdings, LLC (Illinois)
CE Capital, LLC (Minnesota)
CHEMBACO, LLC (Michigan)
Community Bank Insurance Agency, Inc. (Michigan)
CREPD, LLC
FirstMerit Advisors, Inc.
FirstMerit Community Development Corporation
FirstMerit Securities, Inc.
FirstMerit Title Agency, LTD.
FMRC, Inc. (Delaware)
Forty-One Corporation
Haberer Registered Investment Advisor, Inc.
HBI Payments Holdings, Inc.
Fourteen Corporation
Gateway One Lending & Finance, LLC (Delaware)
HBI Specialty Insurance, Inc.
HBI Title Services, Inc.
HCFFL, LLC (Nevada)
Henry Acquisitions, Inc.
HLFB, Inc. (Nevada)
HMFAL, LLC
HMFAL II, LLC
HNB I LLC (Delaware)
HPAL Holdings, LLC (Nevada)
HPAL, LLC (Nevada)
HPAL II, LLC (Nevada)
HPCDS, Inc. (Nevada)
HPCF Corporation (Nevada)
HPCKAL, LLC (Nevada)
HPCLI, Inc.
HREIC Holdings, LLC
Huntington Bancshares Financial Corporation
Huntington Capital Financing Holdings I, Inc. (Nevada)
Huntington Capital Financing Holdings II, Inc. (Nevada)

Huntington Capital Financing OREO, Inc. (Nevada)
Huntington Capital I (Delaware)
Huntington Capital II (Delaware)
Huntington Captive Insurance Company (Arizona)
Huntington Equipment Finance, Inc. (Delaware)
Huntington Equity Investments, LLC
Huntington Finance LLC
Huntington Funding, LLC (Delaware)
Huntington Insurance, Inc.
Huntington LT (Delaware)
Huntington Mezzanine Opportunities Inc.
Huntington Municipal Fund, Inc.
Huntington Municipal Fund II, Inc.
Huntington Municipal Securities, Inc. (Nevada) *
Huntington Merchant Services, LLC (Delaware)**
Huntington New Markets, CDE, LLC
Huntington Preferred Capital, Inc. *
Huntington Preferred Capital II, Inc.
Huntington Public Capital Corporation (Nevada)
Huntington Residential Mortgage Securities, Inc.
Huntington Securities, Inc.
Huntington Technology Finance, Inc. (Delaware)
Huntington West, Inc. (Delaware)
Huntington Renewable Energy Investments, LLC
Metropolitan Savings Service Corporation
Midwest Funding, LLC (Illinois)
Mobile Consultants, Inc.
Prospect Trust I (Delaware)
Rate Risk Management Advisors, LLC
Red Iron Acceptance, LLC (Delaware)
Red Mountain LLC (Delaware)
Sky Capital LLC (Delaware) *
Sky Financial Capital Trust III (Delaware)
Sky Financial Capital Trust IV (Delaware)
STB Auto Exchange, LLC
TCF Agency Insurance Services, Inc. (Minnesota)
TCF Auto Receivables, LLC (Delaware)
TCF Bank International, Inc. (Minnesota)
TCF Commercial Finance Australia Pty Ltd (New South Wales, Australia)
TCF Commercial Finance Canada, Inc. (Ontario, Canada)
TCF Commercial Finance, LLC (Minnesota)
TCF Commercial Finance New Zealand Limited (Auckland, New Zealand)
TCF Foundation (Minnesota)
TCFIF Joint Venture I, LLC (Minnesota)
TCF Illinois Realty Investments, LLC (Minnesota)
TCF International Operations, Inc. (Minnesota)

TCF Inventory Finance, Inc. (Minnesota)
TCF Investments Management Inc. (Minnesota)
TCF Management Corporation (Minnesota)
TCF Servicing Company, LLC (Minnesota)
TCF Trust (Delaware)
The Derlam Company
The Huntington Capital Investment Company
The Huntington Capital Investment Company II
The Huntington Community Development Corporation
The Huntington Investment Company
The Huntington Kentucky, LLC (Kentucky)
The Huntington Leasing Company
The Huntington National Bank (United States)
The Huntington Real Estate Investment Company
The Huntington Real Estate Investment Company II
Thirty-Seven Corporation
Tower Hill Securities, Inc. (Nevada)
Troy BNK Investors LLC
TVPX 2019 MSN 6800199 Business Trust (Utah)
TVPX 9095 Business Trust (Utah)
Unizan Capital, LLC (Delaware) *
Winthrop Resources Holdings I, LLC (Minnesota)

* - Owned jointly between The Huntington National Bank and Huntington Bancshares Incorporated.

** - Less than 100% owned.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-232886), Form S-4 (No. 333-252517) and Form S-8 (Nos. 33-10546, 33-41774, 33-44208, 333-136692, 333-140897, 333-144403, 333-153573, 333-158335, 333-161779, 333-161780, 333-168824, 333-173831, 333-183325, 333-187725, 333-192600, 333-202349, 333-206720, 333-209962, 333-224665, and 333-224666) of Huntington Bancshares Incorporated of our report dated February 18, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Columbus, Ohio
February 18, 2022

POWER OF ATTORNEY

Each director and officer of Huntington Bancshares Incorporated (the Corporation), whose signature appears below hereby appoints Jana J. Litsey, Stephen D. Steinour, and Zachary Wasserman, or any of them, as his or her attorney-in-fact, to sign, in his or her name and behalf and in any and all capacities stated below, and to cause to be filed with the Securities and Exchange Commission, the Corporation's Annual Report on Form 10-K (the Annual Report) for the fiscal year ended December 31, 2021, and likewise to sign and file any amendments, including post-effective amendments, to the Annual Report, and the Corporation hereby also appoints such persons as its attorneys-in-fact and each of them as its attorney-in-fact with like authority to sign and file the Annual Report and any amendments thereto in its name and behalf, each such person and the Corporation hereby granting to such attorney-in-fact full power of substitution and revocation, and hereby ratifying all that such attorney-in-fact or his substitute may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney, in counterparts if necessary, effective as of February 14, 2022.

DIRECTORS/OFFICERS:

Signature / Title/s/ Stephen D. Steinour

Stephen D. Steinour
Chairman, President, Chief Executive Officer, and Director (Principal Executive Officer)

/s/ Zachary Wasserman

Zachary Wasserman
Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)

/s/ Nancy E. Maloney

Nancy E. Maloney
Executive Vice President and Controller (Principal Accounting Officer)

/s/ Lizabeth Ardisana *

Lizabeth Ardisana
Director

/s/ Alanna Y. Cotton *

Alanna Y. Cotton
Director

/s/ Ann B. Crane *

Ann B. Crane
Director

/s/ Robert S. Cubbin *

Robert S. Cubbin
Director

/s/ Steven G. Elliott *

Steven G. Elliott
Director

/s/ Gina D. France *

Gina D. France
Director

/s/ J. Michael Hochschwender *

J. Michael Hochschwender
Director

/s/ Richard H. King *

Richard H. King
Director

/s/ Katherine M.A. Kline *

Katherine M.A. Kline
Director

/s/ Barbara L. McQuade *

Barbara L. McQuade
Director

/s/ Richard W. Neu *

Richard W. Neu
Director

/s/ Kenneth J. Phelan *

Kenneth J. Phelan
Director

/s/ David L. Porteous *

David L. Porteous
Director

/s/ Roger J. Sit *

Roger J. Sit
Director

/s/ Jeffrey L. Tate *

Jeffrey L. Tate
Director

/s/ Gary Torgow *

Gary Torgow
Director

CERTIFICATION

I, Stephen D. Steinour, certify that:

1. I have reviewed this Annual Report on Form 10-K of Huntington Bancshares Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2022

/s/ Stephen D. Steinour

Stephen D. Steinour
Chief Executive Officer

CERTIFICATION

I, Zachary Wasserman, certify that:

1. I have reviewed this Annual Report on Form 10-K of Huntington Bancshares Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2022

/s/ Zachary Wasserman

Zachary Wasserman
Chief Financial Officer

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Huntington Bancshares Incorporated (the Company) on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Stephen D. Steinour, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen D. Steinour

Stephen D. Steinour
Chief Executive Officer
February 18, 2022

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Huntington Bancshares Incorporated (the "Company") on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Zachary Wasserman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Zachary Wasserman

Zachary Wasserman
Chief Financial Officer
February 18, 2022