



Huntington Bancshares Incorporated

Basel III Regulatory Capital Disclosures

June 30, 2020

Glossary of Acronyms

Acronym	Description
ACL	Allowance for Credit Losses
AFS	Available For Sale
ALLL	Allowance for Loan and Lease Losses
BHC	Bank Holding Company
BHC Act	Bank Holding Company Act of 1956
C&I	Commercial and Industrial
CCAR	Comprehensive Capital Analysis and Review
CAP	Capital Adequacy Process
CECL	Current Expected Credit Losses
COVID-19	Coronavirus Disease 2019
CRE	Commercial Real Estate
EAD	Exposure At Default
Federal Reserve	Board of Governors of the Federal Reserve System
GAAP	Generally Accepted Accounting Principles in the United States
HTM	Held to Maturity
HVCRE	High Volatility Commercial Real Estate
ISDA	International Swaps and Derivatives Association
MD&A	Management Discussion and Analysis
MDB	Multilateral Development Bank
OTC	Over-The-Counter
PFE	Potential Future Exposure
PSE	Public Sector Entity
RWA	Risk Weighted Assets
SPE	Special Purpose Entity
SSFA	Simplified Supervisory Formula Approach
T-Bill	Treasury Bill
T-Bond	Treasury Bond
T-Note	Treasury Note
VIE	Variable Interest Entity

Introduction

Company Overview

Huntington Bancshares Incorporated ("Huntington" or "HBI") is a multi-state diversified regional bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Huntington has 15,703 average full-time equivalent employees. Through its bank subsidiary, The Huntington National Bank, HBI has over 150 years of serving the financial needs of our customers. Through its subsidiaries, including the Bank, Huntington provides full-service commercial and consumer banking services, mortgage banking services, automobile financing, recreational vehicle and marine financing, equipment leasing, investment management, trust services, brokerage services, insurance products and services, and other financial products and services. The Bank, organized in 1866, is our only banking subsidiary. Huntington's banking offices are located in Ohio, Illinois, Indiana, Kentucky, Michigan, Pennsylvania, and West Virginia. As of June 30, 2020, the Bank had 839 full-service branches and private client group offices.

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.

When we refer to "we," "our," and "us" in this report, we mean Huntington Bancshares Incorporated and our consolidated subsidiaries. When we refer to the "Bank" in this report, we mean our only bank subsidiary, The Huntington National Bank, and its subsidiaries.

The Board of Governors of the Federal Reserve System ("Federal Reserve") is the primary regulator of HBI, a bank holding company under the Bank Holding Company Act of 1956 ("BHC Act"). As a bank holding company, HBI is subject to consolidated risk-based regulatory capital requirements which are computed in accordance with the applicable risk-based capital regulations of the Federal Reserve. These capital requirements are expressed as capital ratios that compare measures of regulatory capital to risk-weighted assets ("RWA"). Capital levels are subject to qualitative judgments by the regulators on capital components, risk weightings and other factors. In addition, we are subject to requirements with respect to leverage.

Regulatory Capital and Capital Ratios

Huntington is subject to the Federal Reserve capital rules which implemented the Basel III requirements for U.S. Banking organizations, including the standardized approach for calculating risk-weighted assets in accordance with subpart D of the final rule. The rules establish an integrated regulatory capital framework and implement, in the United States, the Basel III regulatory capital reforms from the Basel Committee on Banking Supervision and certain changes required by the Dodd-Frank Act. Under these rules, minimum requirements are established for both the quantity and quality of capital held by banking organizations. Consistent with the international Basel framework, the final rules include a minimum ratio of common equity Tier 1 capital to risk-weighted assets and a common equity Tier 1 capital conservation buffer of 2.5% of risk-weighted assets.

The following are the minimum Basel III regulatory capital levels, including a capital conservation buffer, which we must satisfy to avoid limitations on capital distributions and discretionary bonus payments.

Basel III Regulatory Capital Levels

Common equity tier 1 risk-based capital ratio	7.0 %
Tier 1 risk-based capital ratio	8.5 %
Total risk-based capital ratio	10.5 %

The rule also includes a minimum leverage ratio of 4%.

For additional information on capital, refer to 2019 Annual Report on Form 10-K, Part 1, Item 1 Regulatory Matters subsections titled Enhanced Prudential Standards, Capital Planning and Stress Testing and Proposed Stress Buffer Requirements.

In the first quarter 2020, the FRB finalized the stress capital buffer framework to integrate the FRB's regulatory capital rule with CCAR. The FRB, based on the results of the supervisory stress test, will establish the size of Huntington's stress capital buffer requirement, which replaces the static 2.5% of risk-weighted assets component of the capital conservation buffer requirement. During the third quarter of 2020, the FRB announced Huntington's stress capital buffer has been established at the minimum level of 2.5% of risk-weighted assets and will be effective starting October 1, 2020.

As disclosed in our 2019 Form 10-K, the U.S. federal banking regulatory agencies permitted Bank Holding Companies ("BHCs") and banks to phase-in, for regulatory capital purposes, the day-one impact of the new Current Expected Credit Losses ("CECL") accounting rule on retained earnings over a period of three years. As part of its response to the impact of COVID-19, on March 31, 2020, the U.S. federal banking regulatory agencies issued an interim final rule that provided the option to temporarily delay certain effects of CECL on regulatory capital for two years, followed by a three-year transition period. The interim final rule allows the 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. Huntington has elected to adopt the interim final rule, which is reflected in the regulatory capital data included in these disclosures.

Scope of Application

The Basel III Regulatory Capital Disclosures and HBI's regulatory capital ratio calculations are prepared on a fully consolidated basis. The consolidated financial statements are prepared in accordance with GAAP and include the accounts of HBI and its majority-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. HBI is subject to the standardized approach for calculating risk-weighted assets.

Restrictions on the Transfer of Funds or Regulatory Capital within HBI

Dividends from the Bank to HBI are the primary source of funds for payment of dividends to our shareholders. However, there are statutory limits on the amount of dividends that the Bank can pay to HBI. Regulatory approval is required prior to the declaration of any dividends in an amount greater than its undivided profits or if the total of all dividends declared in a calendar year would exceed the total of its net income for the year combined with its retained net income for the two preceding years, less any required transfers to surplus or common stock. The Bank is currently able to pay dividends to HBI subject to these limitations.

Compliance with Capital Requirements

As of June 30, 2020, HBI had capital levels above the minimum regulatory capital requirements, as well as above the well-capitalized standards established for prompt corrective action. For further detail on capital ratios, see Table 21 – Regulatory Capital Data in the 2020 Second Quarter Report on Form 10-Q. Also, the aggregate amount of surplus capital in our insurance subsidiaries included in HBI consolidated total capital as of June 30, 2020 was \$18 million. No subsidiary had a capital shortfall relative to its minimum regulatory capital requirements as of this reporting date.

Capital Structure

Common equity (i.e., common stock, capital surplus, and retained earnings) is the primary component of our capital structure. Common equity allows for the absorption of losses on an ongoing basis and is permanently available for this purpose. Further, common equity allows for the conservation of resources during stress, as it provides HBI with full discretion on the amount and timing of dividends and other distributions.

However, regulators and rating agencies include other non-common forms of capital (e.g., subordinated debt and preferred stock) in their calculations of capital adequacy. Accordingly, Huntington allows for the inclusion of these alternative forms of capital in its metrics for the Tier 1 risk based capital and total risk based capital ratios.

The terms and conditions of HBI's capital instruments are described in the 2019 Annual Report on Form 10-K and 2020 Second Quarter Report on Form 10-Q as follows:

- Common stock terms and conditions are described on the Balance Sheet in HBI's Consolidated Financial Statements.
- Preferred stock terms and conditions are described in Note 12 - Shareholders' Equity in the 2019 Annual Report on Form 10-K and Note 9 -Shareholders' Equity in the 2020 Second Quarter Report on Form 10-Q.
- Trust preferred securities terms and conditions are described in Note 14 - VIEs in the 2020 Second Quarter Report on Form 10-Q.
- Subordinated debt terms and conditions are described in Note 10 - Long-Term Debt in the 2019 Annual Report on Form 10-K.

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Basel III Regulatory Capital Disclosures

The components of HBI's capital structure are disclosed in the table below:

Capital Components	June 30, 2020	
<i>(in millions)</i>		
Common equity Tier 1 risk-based capital:		
Common stock plus related surplus	\$	8,689
Retained Earnings ⁽¹⁾		2,075
Goodwill and other intangibles, net of related taxes		(2,128)
Deferred tax assets that arise from tax loss and credit carryforwards		(40)
Common equity Tier 1 capital		8,596
Additional Tier 1 capital:		
Shareholders' preferred equity		1,701
Tier 1 capital		10,297
Tier 2 capital instruments plus related surplus		341
Total capital minority interest that is not included in Tier 1 capital		356
Qualifying allowance for loan and lease losses		1,093
Tier 2 capital		1,790
Total risk-based capital	\$	12,087

(1) Retained earnings reflect Huntington's election of a five-year transition to delay for two years the full impact of CECL on regulatory capital, followed by a three-year transition period.

Capital Adequacy

Huntington's Capital Adequacy Process (CAP) is the framework employed by the company to measure capital adequacy relative to our risk appetite. Huntington's CAP incorporates a stringent forward-looking stress testing process that assesses and measures the risks to which the company is exposed to determine the adequacy of capital and liquidity under a range of assumed macroeconomic conditions, including stress scenarios of varying severity. Huntington's capital stress test projections are measured against capital goals and target thresholds and provide quantitatively-derived support for capital distribution and other capital planning decisions.

Consistent with regulatory requirements for BHCs with total assets equal to or greater than \$100 billion in assets, Huntington is required to develop and maintain a capital plan on an annual basis which is reviewed and approved by the company's board of directors or a designated subcommittee thereof. The capital plan is required to include the following elements: a description of Huntington's underlying process for assessing capital adequacy; an assessment of expected uses and sources of capital over a nine-quarter planning horizon under expected and stressed conditions; planned capital actions over a nine-quarter planning horizon, and the company's capital policy.

Risk-weighted assets represent an institution's on-balance sheet assets and off-balance sheet exposures, weighted according to the risk associated with each exposure category. The risk-weighted asset calculation is used in determining the institution's capital requirement.

The following table shows risk-weighted assets by exposure types:

Risk Weighted Assets	June 30, 2020
<i>(dollar amounts in millions)</i>	
On-balance sheet assets:	
Exposure to sovereign entities ⁽¹⁾	\$ 1,903
Exposures to certain supranational entities and MDBs	—
Exposure to depository institutions, foreign banks and credit unions	377
Exposures to public sector entities (PSE)	1,497
Corporate exposures	39,746
Other loans	12,089
Residential mortgage exposures	14,720
Statutory multifamily mortgages and pre-sold construction loans	—
High volatility commercial real estate (HVCRE) loans	200
Past due exposures	894
Default fund contributions	—
Securitization exposures	—
Equity exposures	1,042
Trading & Other Assets	4,541
Off-balance sheet:	
Commitments	7,957
OTC Derivatives	1,754
Cleared transactions	19
Securitization Exposures	—
Letters of credit	518
Unsettled transactions	—
Other Off Balance Sheet Items	9
Total standardized risk weighted assets for credit risk exposure	87,266
Market risk	57
Total Risk Weighted Assets	\$ 87,323
Common Equity Tier 1 Capital Ratio	
Huntington Bancshares Incorporated	9.84%
Huntington National Bank	10.58
Tier 1 Risk-Based Capital Ratio	
Huntington Bancshares Incorporated	11.79
Huntington National Bank	11.92
Total Risk-Based Capital Ratio	
Huntington Bancshares Incorporated	13.84
Huntington National Bank	13.58
Tier 1 Leverage Ratio	
Huntington Bancshares Incorporated	8.86
Huntington National Bank	8.95

(1) HBI's sovereign exposure is predominantly to the U.S. government and its agencies.

Capital Conservation Buffer

The capital conservation buffer is mandatory regulatory capital that financial institutions are required to hold in addition to the other minimum capital requirements. Basel III guidelines state a banking organization would need to hold a capital conservation buffer in an amount greater than 2.5% of total risk-weighted assets over the regulatory “well-capitalized” minimums to avoid limitations on capital distributions and discretionary bonus payments to executive officers.

The capital conservation buffer of a banking organization is the lowest of the following three ratios: the common equity Tier 1 capital ratio less its minimum common equity Tier 1 capital ratio; the Tier 1 capital ratio less its minimum Tier 1 capital ratio or the total capital ratio less its minimum total capital ratio. The capital conservation buffer calculations for Huntington Bancshares Incorporated and Huntington National Bank are shown in the tables below. The capital conservation buffers were 5.34% and 5.58%, respectively. As a result of the calculations for both organizations, there are no limitations on distributions and discretionary bonus payments under the capital conservation buffer framework. The disclosure requirements of the Capital Conservation Buffer are available in Huntington's FR Y-9C Schedule HC-R Part I and Call Report Schedule RC-R Part I.

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	Capital Ratio	Minimum Capital Requirement	Capital Conservation Buffer	Minimum Capital Conservation Buffer
Common Equity Tier 1 Capital	9.84%	4.50%	5.34%	2.50%
Tier 1 Capital	11.79%	6.00%	5.79%	2.50%
Total Capital	13.84%	8.00%	5.84%	2.50%

Huntington National Bank

June 30, 2020

	Capital Ratio	Minimum Capital Requirement	Capital Conservation Buffer	Minimum Capital Conservation Buffer
Common Equity Tier 1 Capital	10.58%	4.50%	6.08%	2.50%
Tier 1 Capital	11.92%	6.00%	5.92%	2.50%
Total Capital	13.58%	8.00%	5.58%	2.50%

Credit Risk: General Disclosures

The following credit risk policies are described in Note 1 to the Consolidated Financial Statements included in our 2019 Annual Report on Form 10-K:

- a. Policy for determining past due or delinquency status
- b. Policy for placing loans on nonaccrual status
- c. Policy for returning loans to accrual status
- d. Definition of and policy for identifying impaired loans
- e. Description of the methodology that HBI uses to estimate its allowance for loan and lease losses
- f. Policy for charging-off uncollectible amounts.

On January 1, 2020, Huntington adopted ASU 2016-13 Financial Instruments - Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. Discussion of this change is presented in Note 5 - Allowance for Credit Losses in the 2020 Second Quarter Report on Form 10-Q.

Discussion of HBI's credit risk management process is presented in the 2019 Annual Report on Form 10-K in the Credit Risk section of MD&A.

Total Credit Risk Exposures

<i>(in millions)</i>	Credit Exposure			
	June 30, 2020			
	Loans	Unused Commitments ⁽¹⁾	Total	Average Balance
C&I	\$ 35,090	\$ 20,895	\$ 55,985	\$ 52,927
CRE	7,179	1,261	8,440	8,288
Automobile	12,678	—	12,678	12,793
Home equity	8,866	11,493	20,359	20,347
Residential mortgage	12,575	123	12,698	12,540
RV and marine finance	3,843	—	3,843	3,743
Other consumer	1,073	3,118	4,191	4,195
Total loans and commitments credit exposures	\$ 81,304	\$ 36,890	\$ 118,194	\$ 114,833

(1) Unused commitments include unused loan commitments and letters of credit.

<i>(in millions)</i>	Derivatives Credit Exposure	
	June 30, 2020	Average Balance
Interest rate	\$ 1,310	\$ 1,328
Foreign exchange	124	141
Commodities	273	257
Equities	54	51
Total derivatives credit exposures	\$ 1,761	\$ 1,777

Disclosure of Debt Securities exposure is described in Note 3 - Investment Securities and Other Securities and in Note 5 - Allowance for Credit Losses in the 2020 Second Quarter Report on Form 10-Q.

Geographic Distribution of Credit Exposures

Loans and Commitments Credit Exposure by State								
June 30, 2020								
<i>(in millions)</i>	C&I	CRE	Automobile	Home equity	Residential mortgage	RV and marine	Other consumer	Total
Ohio	\$ 18,412	\$ 3,318	\$ 3,579	\$ 11,514	\$ 3,802	\$ 254	\$ 2,427	\$ 43,306
Michigan	9,039	1,415	665	4,374	2,094	141	882	18,610
Pennsylvania	4,145	472	942	1,165	722	109	180	7,735
Indiana	2,491	291	1,214	1,156	676	122	179	6,129
Illinois	3,117	403	746	905	1,588	194	52	7,005
Kentucky	893	159	1,214	380	160	97	44	2,947
West Virginia	683	41	433	550	255	17	91	2,070
Other	17,205	2,341	3,885	315	3,401	2,909	336	30,392
Total	\$ 55,985	\$ 8,440	\$ 12,678	\$ 20,359	\$ 12,698	\$ 3,843	\$ 4,191	\$ 118,194

Derivative Credit Exposure by Country					
June 30, 2020					
<i>(in millions)</i>	Interest Rate Derivatives	Foreign Exchange	Commodities	Equities	Total Exposure
United States	\$ 1,298	\$ 103	\$ 256	\$ 49	\$ 1,706
Non-United States	12	21	17	5	55
Total derivatives credit exposure	\$ 1,310	\$ 124	\$ 273	\$ 54	\$ 1,761

Disclosure of Debt Securities exposure is presented in Note 3 - Investment Securities and Other Securities and in Note 5 - Allowance for Credit Losses in the 2020 Second Quarter Report on Form 10-Q. Non-United States debt securities exposure is not material.

Distribution of Exposures by Industry Type, Categorized by Major Types of Credit Exposures

<i>(in millions)</i>	Credit Exposure by Industry Category			
	June 30, 2020			
	Loans	Unused Commitments	Derivatives	Total
Real estate and rental and leasing	\$ 7,117	\$ 1,711	\$ 562	\$ 9,390
Manufacturing	6,147	3,759	413	10,319
Retail trade	5,053	3,498	—	8,551
Finance and insurance	3,345	2,651	377	6,373
Health care and social assistance	3,534	1,581	115	5,230
Wholesale trade	2,352	2,015	—	4,367
Mining, quarrying, and oil and gas extraction	930	736	186	1,852
Professional, scientific and technical services	2,177	1,290	—	3,467
Transportation and warehousing	1,338	562	—	1,900
Accommodation and food services	2,877	285	—	3,162
Construction	1,492	952	—	2,444
Other services	1,510	608	34	2,152
Utilities	573	802	—	1,375
Educational services	559	178	—	737
Arts, entertainment and recreation	732	215	—	947
Information	759	253	—	1,012
Admin., support, waste mgmt., and remediation	916	328	—	1,244
Public administration	302	28	1	331
Agriculture, forestry, fishing and hunting	141	65	—	206
Management of companies and enterprises	115	60	—	175
Unclassified, other	300	579	73	952
Total commercial credit exposure by industry	42,269	22,156	1,761	66,186
Automobile	12,678	—	—	12,678
Home Equity	8,866	11,493	—	20,359
Residential mortgage	12,575	123	—	12,698
RV and marine finance	3,843	—	—	3,843
Other consumer loans	1,073	3,118	—	4,191
Total Loans, commitments, and derivatives credit exposures	\$ 81,304	\$ 36,890	\$ 1,761	\$ 119,955

Disclosure of Debt Securities exposure by type is presented in Note 3 - Investment Securities and Other Securities in the 2020 Second Quarter Report on Form 10-Q.

Nonaccrual or Past Due Loans by Major Industry or Counterparty Type and Charge-off Information

Disclosures of amounts of nonaccrual loans for which there was a related allowance under GAAP and amounts of nonaccrual loans for which there was no related allowance under GAAP are presented in Note 4 – Loans / Leases in the 2020 Second Quarter Report on Form 10-Q.

Discussion of HBI's charge-offs during the period is presented in MD&A Table 15 – Quarterly Net Charge-Off Analysis in the 2020 Second Quarter Report on Form 10-Q.

Disclosures on the amount of loans past due 90 days and on nonaccrual, and loans past due 90 days and still accruing are presented in Note 4 – Loans / Leases in the 2020 Second Quarter Report on Form 10-Q.

Nonaccrual Loans by Geographic Distribution

<i>(in millions)</i>	Nonaccrual loans with no related allowance recorded							
	June 30, 2020							
	C&I	CRE	Automobile	Home Equity	Residential mortgage	RV and marine	Other consumer	Total
State:								
Ohio	\$ 45	\$ 3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 48
Michigan	21	1	—	—	—	—	—	22
Pennsylvania	10	—	—	—	—	—	—	10
Indiana	5	—	—	—	—	—	—	5
Illinois	4	1	—	—	—	—	—	5
Kentucky	1	—	—	—	—	—	—	1
West Virginia	2	1	—	—	—	—	—	3
Other	9	—	—	—	—	—	—	9
Total	\$ 97	\$ 6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 103

<i>(in millions)</i>	Nonaccrual loans with related allowance recorded							
	June 30, 2020							
	C&I	CRE	Automobile	Home Equity	Residential mortgage	RV and marine	Other consumer	Total
State:								
Ohio	\$ 74	\$ 1	\$ 3	\$ 34	\$ 38	\$ —	\$ —	\$ 150
Michigan	2	—	—	8	8	—	—	18
Pennsylvania	9	—	1	6	4	—	—	20
Indiana	—	—	1	3	5	—	—	9
Illinois	23	—	—	2	—	—	—	25
Kentucky	—	—	1	—	1	—	—	2
West Virginia	—	—	—	3	2	—	—	5
Other	280	21	2	3	8	2	—	316
Total	\$ 388	\$ 22	\$ 8	\$ 59	\$ 66	\$ 2	\$ —	\$ 545

Reconciliation of Changes in ACL

Reconciliation of changes in the Allowance for Credit Losses is presented in Note 5 – Allowance for Credit Losses in the 2020 Second Quarter Report on Form 10-Q.

Remaining Contractual Portfolio Maturity, Categorized by Credit Exposure

<i>(in millions)</i>	Credit Exposure by Maturity			
	June 30, 2020			
	1 Year or Less	Over 1 Year To 5 Years	Over 5 Years	Total
Loans and commitments				
C&I	\$ 18,697	\$ 32,473	\$ 4,815	\$ 55,985
CRE	1,052	5,502	1,886	8,440
Automobile	158	7,923	4,597	12,678
Home equity	79	897	19,383	20,359
Residential mortgage	1,098	44	11,556	12,698
RV and marine finance	1	85	3,757	3,843
Other consumer	1,112	2,684	395	4,191
Total loans and commitments	22,197	49,608	46,389	118,194
Debt securities	337	1,300	21,076	22,713
Derivatives	186	1,075	500	1,761
Total credit exposure by maturity	\$ 22,720	\$ 51,983	\$ 67,965	\$ 142,668

For additional information on credit exposures, see the 2020 Second Quarter FR Y-9C, and Note 4 – Loans / Leases and Note 13 – Derivative Financial Instruments in the 2020 Second Quarter Report on Form 10-Q.

General Disclosure for Counterparty Credit Risk-Related Exposures

We offer risk management products that enable customers to hedge various forms of financial risks including interest rate risk, foreign currency translation risk and commodity price risk. Huntington’s product suite enables customers to better control business risk and deepens relationships.

Prior to executing an OTC transaction, the financial strength of a potential counterparty is established using a risk rating methodology approved by the Credit Policy and Strategy Committee. The methodology is the same as that used to make lending decisions for commercial customers and similar for financial institution counterparties. Credit ratings are developed and exposure limits are established no less than annually that reflects our assessment of the financial strength of the counterparty.

The Bank uses an internal model to determine the potential future exposure ("PFE") of OTC derivatives which is used to calculate the total credit exposure. As Huntington is subject to the Standardized Approach, RWA for OTC derivatives are determined using the methodology prescribed in the Final Rule for calculating PFE, and not our internal model.

To mitigate our exposure, collateral agreements are required for financial institution counterparties. These agreements consist of industry standard contracts (ISDA and Credit Support Annex agreements) that detail such terms as collateral requirements, acceptable collateral types, an unambiguous method for valuing collateral, as well as ‘haircuts.’ Daily collateral management activities are performed by a specialized Corporate Treasury team according to the legally enforceable contracts. The primary types of collateral taken in these contracts include cash, U.S. T-Bill, U.S. T-Note, U.S. T-Bond, and U.S. Government Agency Securities.

Collateral agreements are not dependent on the credit ratings of the Bank or its counterparties. Rather, existing collateral agreements require Huntington and counterparty institutions to maintain ‘well-capitalized’ status (by regulatory standards). Failure to maintain ‘well-capitalized’ status is considered an early termination event and will likely result in a termination of the relationship.

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Consistent with GAAP, an allowance is established to reflect the potential for losses associated with customer's unrealized losses on OTC contracts. A two-year cumulative probability of default metric is multiplied by unrealized customer losses to reflect a loss emergence period of two years.

<i>(in millions)</i>	June 30, 2020
OTC Derivatives	
Gross Positive Fair Value	\$ 1,586
Net Unsecured Credit Exposure ⁽¹⁾	1,734
Collateral Held:	
Cash	\$ 268
Securities	185
Credit Equivalent Amount	2,013
<hr/>	
Notional Amount of Credit Derivatives ⁽²⁾	
Purchased Protection	\$ 2,566
Sold Protection	801
Total Notional of Credit Derivatives	\$ 3,367

(1) Represents the amount of credit exposure, calculated using internal models, that is reduced due to the netting of offsetting positive and negative exposures where a valid master netting agreement exists, and collateral held.

(2) Includes Credit Participation Swaps.

The Bank periodically enters into credit participation swaps to transfer counterparty credit risk related to interest rate swaps to (or selling) and from (or purchasing) other financial institutions. Under the terms of these agreements, the "participating or purchasing bank" receives a fee from the "lead or selling bank" in exchange for the guarantee of reimbursements if the customer defaults on an interest rate swap. The interest rate swap is transacted such that any and all exchanges of interest payments (favorable and unfavorable) are made between the lead bank and the customer. In the event of an early termination of the swap and the customer is unable to make the required close out payment, the participating bank assumes that obligation and is required to make this payment.

Credit Risk Mitigation

Discussion of HBI's credit risk mitigation policies and processes is presented in the Credit Risk section of MD&A in the 2019 Annual Report on Form 10-K.

Exposures covered by eligible financial collateral after application of haircuts:

<i>(in millions)</i>	June 30, 2020	
Exposure Type		
Loans and leases ⁽¹⁾	\$	1,353
Derivatives ⁽²⁾		453
Repo-style transactions		127
Letters of Credit		41
Total	\$	1,974

(1) Includes all financial collateral held against loans and leases, without consideration of whether the financial collateral is recognized for the purpose of reducing capital requirements.

(2) Includes Derivatives, Investing, and Trading Activities

Exposures covered by guarantees and credit derivatives with associated risk weighted amount:

<i>(in millions)</i>	June 30, 2020		
Exposure Type	Exposure Amount		Risk Weighted Asset Amount
AFS/HTM Securities ⁽¹⁾	\$	18,979	\$ 1,903
Loans		7,138	169
Letters of Credit		25	5
Other ⁽²⁾		29	6
Total	\$	26,171	\$ 2,083

(1) Includes U.S. Government Agencies and Government Sponsored Entity Securities.

(2) Includes Credit Participation Swaps Sold.

Securitizations

In the past, Huntington has utilized automobile loan securitizations primarily to manage its aggregate concentration in originated indirect automobile loans as well as for diversifying its liquidity sources. Our risk management organization plays an active role in the review and oversight of this exposure which includes on-balance sheet portfolio loans, off-balance sheet auto loans due to sales or securitizations which we continue to service, and on-balance sheet investments in automobile loan asset-backed securities. We do not engage in synthetic or re-securitization activities. As of June 30, 2020, Huntington has no material securitization exposures remaining.

Equities not Subject to Market Risk Capital Rules

Equity investments held at HBI include marketable equity securities, private equity investments, and other equity investments classified within other assets.

Non-marketable equity securities are recorded at historical cost, and marketable equity securities are carried at fair value with unrealized net gains or losses reported within income. Low Income Housing Tax Credit investments are included in other assets and the majority of these investments are accounted for using the proportional amortization method. Investments that do not meet the requirements of the proportional amortization method and other miscellaneous equity investments are generally accounted for using the equity method.

Summary of Equity Investment Exposures

Huntington's equity exposures not subject to the Market Risk rule include the following investments:

- Low Income Housing Tax Credit Investments - see Note 14 - VIEs in our 2020 Second Quarter Report on Form 10-Q for additional information on affordable housing tax credit investments.
- Other Miscellaneous Equity Investments - New Market Tax Credit Investments, Historic Tax Credit Investments, Small Business Investment Companies, Rural Business Investment Companies, certain equity method investments and other miscellaneous investments.
- Federal Reserve Bank and Federal Home Loan Bank stock, which are considered equity exposures under the regulatory capital framework.

Equity Securities Not Subject to Market Risk Rule:

<i>(in millions)</i>	June 30, 2020		
	Nonpublic	Publicly Traded	Total
Amortized cost	\$ 1,406	\$ 1	\$ 1,407
Unrealized gains/losses	—	1	1
Latent revaluation gains/losses ⁽¹⁾	—	—	—
Fair value	\$ 1,406	\$ 2	\$ 1,408

(1) The unrealized gains/(losses) not recognized either in the balance sheet or through earnings.

There were no net realized gains or losses arising from sales and liquidations of equity investments for the quarter ended June 30, 2020.

Capital Requirements for Equity Securities Not Subject to Market Risk Rule:

<i>(in millions)</i>	June 30, 2020	
	Exposure	Risk Weighted Assets
0%	\$ 298	\$ —
20%	84	17
100%	1,025	1,025
Full look-through approach	—	—
Total	\$ 1,407	\$ 1,042

Interest Rate Risk for Non-Trading Activities

Disclosure is presented in the Interest Rate Risk portion of the Market Risk section of MD&A in the 2019 Annual Report on Form 10-K and the 2020 Second Quarter Report on Form 10-Q.

Appendix A
Huntington Bancshares Incorporated
 Basel III Regulatory Capital Disclosures
 June 30, 2020

Table	Disclosure Requirement	Disclosure Location
1. Scope of Application		
Qualitative		
A	The name of the top corporate entity in the group to which the Risk Based Capital Standards apply.	Basel III Regulatory Capital Disclosures: Introduction and Scope of Application
B	A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) That are fully consolidated; (2) That are deconsolidated and deducted from total capital; (3) For which the total capital requirement is deducted; and (4) That are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart).	Not applicable. HBI does not have differences in the basis of consolidation for accounting and regulatory purposes.
C	Any restrictions, or other major impediments, on transfer of funds or total capital within the group.	Basel III Regulatory Capital Disclosures: Scope of Application
Quantitative		
D	The aggregate amount of surplus capital of insurance subsidiaries included in the total capital of the consolidated group.	Basel III Regulatory Capital Disclosures: Scope of Application
E	The aggregate amount by which actual total capital is less than the minimum total capital requirement in all subsidiaries, with total capital requirements and the name(s) of the subsidiaries with such deficiencies.	Basel III Regulatory Capital Disclosures: Scope of Application
2. Capital Structure		
Qualitative		
A	Summary information on the terms and conditions of the main features of all regulatory capital instruments.	Basel III Regulatory Capital Disclosures: Capital Structure 2019 Annual Report on Form 10-K (1) Note 10 - Long-term Debt (2) Note 12 - Shareholders' Equity
Quantitative		
B	The amount of common equity Tier 1 capital, with separate disclosure of: (1) Common stock and related surplus; (2) Retained earnings; (3) Common equity minority interest; (4) AOCI; and (5) Regulatory adjustments and deductions made to common equity Tier 1 capital	Basel III Regulatory Capital Disclosures: Capital Structure
C	The amount of Tier 1 capital, with separate disclosure of: (1) Additional Tier 1 capital elements, including additional Tier 1 capital instruments and Tier 1 minority interest not included in common equity Tier 1 capital; and (2) Regulatory adjustments and deductions made to Tier 1 capital.	Basel III Regulatory Capital Disclosures: Capital Structure
D	The amount of total capital, with separate disclosure of: (1) Tier 2 capital elements, including Tier 2 capital instruments and total capital minority interest not included in Tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	Basel III Regulatory Capital Disclosures: Capital Structure

Table	Disclosure Requirement	Disclosure Location
3. Capital Adequacy		
Qualitative		
A	A summary discussion of the bank holding company's approach to assessing the adequacy of its capital to support current and future activities.	Basel III Regulatory Capital Disclosures: Capital Adequacy
Quantitative		
B	Risk-weighted assets for: <ol style="list-style-type: none"> (1) Exposures to sovereign entities; (2) Exposures to certain supranational entities and MDBs; (3) Exposures to depository institutions, foreign banks, and credit unions; (4) Exposures to PSEs; (5) Corporate exposures; (6) Residential mortgage exposures; (7) Statutory multifamily mortgages and pre-sold construction loans; (8) HVCRE loans; (9) Past due loans; (10) Other assets; (11) Cleared transactions; (12) Default fund contributions; (13) Unsettled transactions; (14) Securitization exposures; and (15) Equity exposures 	Basel III Regulatory Capital Disclosures: Capital Adequacy
C	Standardized market risk-weighted assets as calculated under subpart F	Basel III Regulatory Capital Disclosures: Capital Adequacy
D	Common equity Tier 1, Tier 1 and total risk-based capital ratios: <ol style="list-style-type: none"> (1) For the top consolidated group; and (2) For each depository institution subsidiary. 	Basel III Regulatory Capital Disclosures: Capital Adequacy
E	Total standardized risk-weighted assets.	Basel III Regulatory Capital Disclosures: Capital Adequacy
4. Capital Conservation Buffer		
Qualitative		
A	At least quarterly, the bank holding company must calculate and publicly disclose the capital conservation buffer as described under §1.11.	Basel III Regulatory Capital Disclosures: Capital Conservation Buffer
Quantitative		
B	At least quarterly, the bank holding company must calculate and publicly disclose the eligible retained income of the bank holding company, as described under §1.11.	Basel III Regulatory Capital Disclosures: Capital Conservation Buffer
C	At least quarterly, the bank holding company must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer framework described under §1.11, including the maximum payout amount for the quarter.	Basel III Regulatory Capital Disclosures: Capital Conservation Buffer

5. Credit Risk: General Disclosures

Qualitative

A	The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 6), including the:	Basel III Regulatory Capital Disclosures: Credit Risk - General Discussions
	(1) Policy for determining past due or delinquency status;	2019 Annual Report on Form 10-K
	(2) Policy for placing loans on nonaccrual;	(1) Note 1 - Significant Accounting Policies
	(3) Policy for returning loans to accrual status;	(2) Risk Management and Capital section of MD&A
	(4) Definition of and policy for identifying impaired loans (for financial accounting purposes);	
	(5) Description of the methodology that the bank holding company uses to estimate its allowance for loan and lease losses, including statistical methods used where applicable:	2020 Second Quarter Report on Form 10-Q
	(6) Policy for charging-off uncollectible amounts; and	(1) Note 5 - Allowance for Credit Losses
	(7) Discussion of the bank holding company's credit risk management policy.	

Quantitative

B	Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP, without taking into account the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, banks could use categories similar to that used for financial statement purposes. Such categories might include, for	Basel III Regulatory Capital Disclosures: Credit Risk - General Discussions
	(1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures;	2020 Second Quarter Report on Form 10-Q
	(2) Debt securities; and	(1) Note 3 - Investment Securities and Other Securities
	(3) OTC derivatives	(2) Note 5 - Allowance for Credit Losses
C	Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	Basel III Regulatory Capital Disclosures: Credit Risk - General Discussions
		2020 Second Quarter Report on Form 10-Q
		(1) Note 3 - Investment Securities and Other Securities
		(2) Note 5 - Allowance for Credit Losses
D	Industry or counterparty type distribution of exposures, categorized by major types of credit exposure.	Basel III Regulatory Capital Disclosures: Credit Risk - General Discussions
		2020 Second Quarter Report on Form 10-Q
		(1) Note 3 - Investment Securities and Other Securities
E	By major industry or counterparty type:	Basel III Regulatory Capital Disclosures: Credit Risk - General Discussions
	(1) Amount of nonaccrual loans for which there was a related allowance under GAAP;	2020 Second Quarter Report on Form 10-Q
	(2) Amount of nonaccrual loans for which there was no related allowance under GAAP;	(1) Note 4 - Loans / Leases
	(3) Amount of loans past due 90 days and on nonaccrual;	(2) Note 5 - Allowance for Credit Losses
	(4) Amount of loans past due 90 days and still accruing;	(3) Table 15 - Quarter Net Charge-off Analysis
	(5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of the bank's impairment method. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and	
	(6) Charge-offs during the period.	
F	Amount of nonaccrual loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	Basel III Regulatory Capital Disclosures: Credit Risk - General Discussions

Table	Disclosure Requirement	Disclosure Location
5. Credit Risk: General Disclosures, continued		
G	Reconciliation of changes in ACL.	2020 Second Quarter Report on Form 10-Q (1) Note 5 - Allowance for Credit Losses
H	Remaining contractual maturity delineation (for example, one year or less) of the whole portfolio, categorized by credit exposure.	Basel III Regulatory Capital Disclosures: Credit Risk - General Discussions
6. General Disclosure for Counterparty Credit Risk-Related Exposures		
Qualitative		
A	The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including a discussion of: <ol style="list-style-type: none"> (1) The methodology used to assign credit limits for counterparty credit exposures; (2) Policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) The primary types of collateral taken; and (4) The impact of the amount of collateral the bank would have to provide given a deterioration in the bank holding company's own creditworthiness. 	Basel III Regulatory Capital Disclosures: General Disclosure for Counterparty Credit Risk-Related Exposures
Quantitative		
B	Gross positive fair value of contracts, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure. A bank also must disclose the notional value of credit derivative hedges purchased for counterparty credit risk protection and the distribution of current credit exposure by exposure type.	Basel III Regulatory Capital Disclosures: General Disclosure for Counterparty Credit Risk-Related Exposures
C	Notional amount of purchased and sold credit derivatives, segregated between use for the bank's own credit portfolio and in its intermediation activities, including the distribution of the credit derivative products used, categorized further by protection bought and sold within each product group.	Basel III Regulatory Capital Disclosures: General Disclosure for Counterparty Credit Risk-Related Exposures
7. Credit Risk Mitigation		
Qualitative		
A	The general qualitative disclosure requirement with respect to credit risk mitigation, including: <ol style="list-style-type: none"> (1) Policies and processes for collateral valuation and management; (2) A description of the main types of collateral taken by the bank; (3) The main types of guarantors/credit derivative counterparties and their creditworthiness; and (4) Information about (market or credit) risk concentrations with respect to credit risk mitigation. 	2019 Annual Report on Form 10-K (1) Note 1 - Significant Accounting Policies (2) Risk Management and Capital section of MD&A
Quantitative		
B	For each separately disclosed credit risk portfolio, the total exposure that is covered by eligible financial collateral, and after the application of haircuts.	Basel III Regulatory Capital Disclosures: Credit Risk Mitigation
C	For each separately disclosed portfolio, the total exposure that is covered by guarantees/credit derivatives and the risk-weighted asset amount associated with that exposure.	Basel III Regulatory Capital Disclosures: Credit Risk Mitigation

Table	Disclosure Requirement	Disclosure Location
8. Securitizations		
Qualitative		
A	The general qualitative disclosure requirement with respect to a securitization (including synthetic securitizations), including a discussion of: <ol style="list-style-type: none"> (1) The bank's objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the bank to other entities and including the type of risks assumed and retained with resecuritization activity; (2) The nature of the risks (e.g. liquidity risk) inherent in the securitized assets; (3) The roles played by the bank in the securitization process and an indication of the extent of the bank's involvement in each of them; (4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures; (5) The bank's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and (6) The risk-based capital approaches that the bank follows for its securitization exposures including the type of securitization exposure to which each approach applies. 	Basel III Regulatory Capital Disclosures: Securitization 2019 Annual Report on Form 10-K (1) Note 1 - Significant Accounting Policies 2020 Second Quarter Report on Form 10-Q (1) Note 14 - VIEs
B	A list of: <ol style="list-style-type: none"> (1) The type of securitization SPEs that the bank, as sponsor, uses to securitize third-party exposures. The bank must indicate whether it has exposure to these SPEs, either on- or off-balance sheet; and (2) Affiliated entities: <ol style="list-style-type: none"> (i) That the bank manages or advises; and (ii) That invest either in the securitization exposures that the bank has securitized or in securitization SPEs that the bank sponsors. 	Basel III Regulatory Capital Disclosures: Securitization 2020 Second Quarter Report on Form 10-Q (1) Note 14 - VIEs
C	Summary of the bank's accounting policies for securitization activities, including: <ol style="list-style-type: none"> (1) Whether the transactions are treated as sales or financings; (2) Recognition of gain-on-sale; (3) Methods and key assumptions applied in valuing retained or purchased interests; (4) Changes in methods and key assumptions from the previous period for valuing retained interests and impact of the changes; (5) Treatment of synthetic securitizations; (6) How exposures intended to be securitized are valued and whether they are recorded under subpart D of this part; and (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitized assets. 	Basel III Regulatory Capital Disclosures: Securitization 2019 Annual Report on Form 10-K (1) Note 1 - Significant Accounting Policies 2020 Second Quarter Report on Form 10-Q (2) Note 14 - VIEs
D	An explanation of significant changes to any quantitative information since the last reporting period.	Not applicable. No changes since last reporting period.
Quantitative		
E	The total outstanding exposures securitized by the bank in securitizations that meet the operational criteria provided in § .141 (categorized into traditional and synthetic securitizations), by exposure type, separately for securitizations of third-party exposures for which the bank acts only as sponsor.	Basel III Regulatory Capital Disclosures: Securitization. No material exposures.

Table	Disclosure Requirement	Disclosure Location
8. Securitizations, continued		
F	For exposures securitized by the bank in securitizations that meet the operational criteria in §.141: (1) Amount of securitized assets that are impaired/past due categorized by exposure type; and (2) Losses recognized by the bank during the current period categorized by exposure type.	Basel III Regulatory Capital Disclosures: Securitization. No material exposures.
G	The total amount of outstanding exposures intended to be securitized categorized by exposure type.	Not applicable.
H	Aggregate amount of: (1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and (2) Off-balance sheet securitization exposures categorized by exposure type.	Basel III Regulatory Capital Disclosures: Securitization, No material exposure.
I	(1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g., SSFA); and (2) Exposures that have been deducted entirely from tier 1 capital, CEIOs deducted from total capital (as described in §1.42(a)(1), and other exposures deducted from total capital should be disclosed separately by exposure type.	Basel III Regulatory Capital Disclosures: Securitization, No material exposure.
J	Summary of current year's securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by exposure type.	Not applicable.
K	Aggregate amount of resecuritization exposures retained or purchased categorized according to: (1) Exposures to which credit risk mitigation is applied and those not applied; and (2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.	Not applicable. HBI does not have any resecuritization exposures.
9. Equities not Subject to the Market Risk Rules		
Qualitative		
A	The general qualitative disclosure requirement with respect to equity risk for equities not subject to the market risk rules, including: (1) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and (2) Discussion of important policies covering the valuation of and accounting for equity holdings not subject to subpart F of this part. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Basel III Regulatory Capital Disclosures: Equities not Subject to Market Risk Capital Rules
Quantitative		
B	Value disclosed on the balance sheet of investments, as well as the fair value of those investments; for securities that are publicly traded, a comparison to publicly-quoted share values where the share price is materially different from fair value.	Basel III Regulatory Capital Disclosures: Equities not Subject to Market Risk Capital Rules
C	The types and nature of investments, including the amount that is: (1) Publicly traded. (2) Non-publicly traded.	Basel III Regulatory Capital Disclosures: Equities not Subject to Market Risk Capital Rules

Table	Disclosure Requirement	Disclosure Location
9. Equities not Subject to the Market Risk Rules, continued		
D	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	Basel III Regulatory Capital Disclosures: Equities not Subject to Market Risk Capital Rules
E	(1) Total unrealized gains (losses). (2) Total latent revaluation gains (losses). (3) Any amounts of the above included in tier 1 or tier 2 capital.	Basel III Regulatory Capital Disclosures: Equities not Subject to Market Risk Capital Rules
F	Capital requirements categorized by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	Basel III Regulatory Capital Disclosures: Equities no Subject to Market Risk Capital Rules
10. Interest Rate Risk for Non-Trading Activities		
Qualitative		
A	The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	2019 Annual Report on Form 10-K (1) Interest Rate Risk portion of the Market Risk section of MD&A
Quantitative		
B	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate).	2019 Annual Report on Form 10-K (1) Interest Rate Risk portion of the Market Risk section of MD&A